



# Momentum

## 2013 Annual Report

**Missouri Consolidated Health Care Plan**  
A Component Unit of the State of Missouri  
2013 Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2013





# Momentum

## 2013 Annual Report

*Report prepared by Fiscal Affairs Department*

*Design and artwork by Brian Huddleston*



MISSOURI CONSOLIDATED  
HEALTH CARE PLAN

**Missouri Consolidated Health Care Plan**

A Component Unit of the State of Missouri  
2013 Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2013

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PO Box 104355  
Jefferson City, MO 65110

800-701-8881  
[www.mchcp.org](http://www.mchcp.org)

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Introduction

Pulse

# Letter from the Executive Director



**Judith Muck**

*Executive Director*

It is with great pleasure that I submit the annual report of the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2013. MCHCP is a component unit of the state of Missouri for financial reporting purposes and as such, the financial reports are also included in the State of Missouri Comprehensive Annual Financial Report. The financial information presented in this report is the responsibility of management of MCHCP and sufficient internal accounting controls exist to provide a reasonable assurance regarding safekeeping of assets and fair presentation of the financial statements, supporting schedules and statistical tables. Systems and procedures are evaluated, in conjunction with the Board of Trustees, MCHCP management and Internal Audit to provide assurances that internal controls exist and are functioning to promote objectives while minimizing risk. The report is also designed to comply with the provisions of section 103.025 of the Revised Statutes of Missouri (RSMO) as amended.

It is with great pride that during fiscal year 2013, I accepted the position of Executive Director after having served as Interim Executive Director and Chief Operations Officer for the Plan. Clearly, the ability to deliver comprehensive and affordable coverage to the members we serve continues to be at the forefront of Plan operations. During the most recent fiscal year ended June 30, 2013, the state of Missouri, contributed more than \$370 million or approximately 70 percent of revenues to the Plan in the form of employer sponsored contributions. Member contributions for our state members and retirees totaled more than \$142 million while revenues for our public entity enrollment exceeded \$8 million. Medical and pharmacy claims and operations expenditures exceeded \$503 million. Additional financial information can be found in the management discussion and analysis and financial statements included in this report.

During fiscal year 2013, MCHCP rebranded and retooled our Wellness effort to form *Strive for Wellness*. Our focus was to move away from a point accumulator system and toward a partnership with our members to earn incentives for completion of a health assessment and wellness exam. Members also reported their tobacco status to earn an additional incentive. Multi-year

*Momentum, the theme of our 2013 report, defines MCHCP's progression toward achieving meaningful healthy outcomes for our membership.*

*We understand that change doesn't occur immediately. The path to the maintenance of comprehensive benefits with affordability stems on our ability to engage our population in healthy behaviors from not only a lifestyle, but also a benefit utilization standpoint.*

evaluations are necessary to determine the adequacy, adherence, and return on investment of wellness initiatives in promoting health risk improvements and cost containment.

Technology and online advancements again enhanced our abilities to serve our more than 97,000 state and public members. During 2013, MCHCP partnered with one of our third party administrators to launch an online plan cost estimator to assist members in selecting the health plan offering best suited to their health needs. Members logged in to estimate and customize their individual and family utilization to assist in plan selection. Access to prescription information was also added during 2013 to myMCHCP, the member-only area of our website. This was an enhancement to the ability to view online claims and explanation of benefits (EOB) information and other resources. The MCHCP website, [www.mchcp.org](http://www.mchcp.org), was restyled to incorporate the latest technology in mobile accessibility. We believe state of the art access to secure customer centric information further empowers our membership toward the best utilization of their medical benefit. During the 2013 open enrollment period over 81 percent of enrollments were completed online furthering our ability to maintain operations costs at 2012 levels.

For the eighteenth year in a row, MCHCP was pleased to receive the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to qualify, a government unit must publish a report conforming to all GFOA standards. The Certificate of Achievement is valid for a period of one year only. MCHCP will continue to strive for such recognition with its submission of our current report for consideration to GFOA. Additionally, MCHCP has for the third year in a row, received a certificate of excellence in Graphic Design USA's American Inhouse Design Awards, for our Comprehensive Annual Financial Report (CAFR).

This report is a product of the combined efforts of MCHCP staff and the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, for determining compliance with legal provisions and for evaluating the condition of the fund. MCHCP has received an unqualified opinion from our independent auditors whose report can be found on pages 22 and 23.

This report is provided to the Governor, the State Auditor, members of the General Assembly, all state agencies, and all participating public entities and is viewable at [www.mchcp.org](http://www.mchcp.org). The cooperation and support of these individuals and agencies help contribute to our success. Also, for the Board of Trustees, I extend my gratitude to the staff. They truly represent the momentum of the organization. As we pursue continued momentum, I am reminded of the famous artist, Ralph Ransom (born in St. Joseph, MO) who once said, “Life is a series of steps. Things are done gradually. Once in a while there is a giant step, but most of the time we are taking small, seemingly insignificant steps on the stairway of life.”

Let’s all keep moving.

I welcome your suggestions for the continued success and improvement of your health plan, MCHCP.

Yours in health,

A handwritten signature in black ink, reading "Judith A. Muck". The signature is fluid and cursive, with the first name "Judith" being more prominent than the last name "Muck".

**Judith A. Muck**

*Executive Director*

Missouri Consolidated Health Care Plan

November 27, 2013

# Certificate of Achievement



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Missouri**

**Consolidated Health Care Plan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

# Executive Team



**Judith Muck**  
*Executive Director*

By statute, the Executive Director has charge of the offices, records and employees of the Plan, subject to the direction of the board.



**Stacia G. Fischer**  
*Chief Fiscal Officer*

Responsible for preparation of the comprehensive annual financial report, financial statements and records of the Plan, budget, purchasing, banking services, and financial interfaces with outside entities.



**Bruce Lowe**  
*Chief Information Officer*

Responsible for the information technology that supports Plan operations. Involved with analyzing and reworking existing business processes, identifying and developing the capability to use new tools, and reshaping the physical infrastructure and network access. Heads the Plan's efforts to integrate information technology into its business plans.



**Julie Watson**  
*Chief Wellness Officer*

Responsible for developing, implementing, and monitoring the *Strive for Wellness* Program, and the population health and condition management of Plan members.

# Letter from the Chairperson



**Linda S. Luebbering**  
*Chairperson*

It is my distinct pleasure to present to you, on behalf of the Board of Trustees, the Comprehensive Annual Financial Report for the Missouri Consolidated Health Care Plan (MCHCP).

Focusing on our membership while providing a comprehensive and affordable health care benefit remains at the forefront of our efforts at MCHCP. Nationally, states face the inevitable challenge of how best to maintain benefits so important to our members within state budgets that face increasing pressures for cost containment. Wellness initiatives with an eye to improved health outcomes remain a strong catalyst for achieving and maintaining affordable and comprehensive benefits. During 2013, 60 percent of MCHCP members submitted health assessments, and more than 75 percent attested to being tobacco-free. These efforts empower our population in becoming vigilant about their overall health and embody the theme of our 2013 report—*Momentum*.

1. Soeren Mattke et al., *RAND Corporation* (2013, June). *Medical Benefits; Workplace Health and Benefits: Workplace Wellness Programs Study – Final Report*.

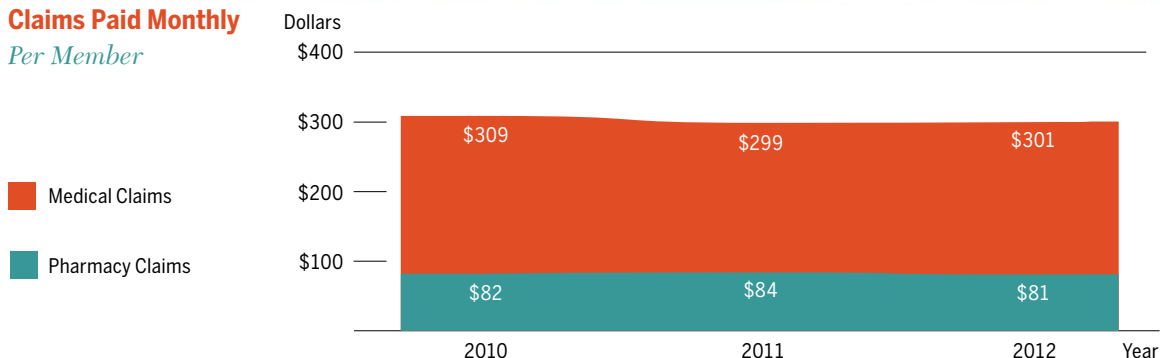
*“Approximately half of U.S. employers offer wellness promotion initiatives, and larger employers are more likely to have more complex wellness programs. Programs often include wellness-screening activities (80%) to identify health risks and interventions to reduce risks and promote healthy lifestyles. Most employers (72% of those offering a wellness program) characterize their wellness programs as a combination of screening activities and interventions.”*<sup>1</sup>

We understand to propel our wellness efforts forward; we must continue our *momentum* in engaging our members through increased education and Plan program resources. During 2013, MCHCP’s *Strive for Wellness* developed and implemented *Regional Reach*, an initiative to promote employee wellness-related activities in the workplace, provided 10 wellness campaigns staffed by program dietitians to state employees, created health education videos and launched on-site weight management programs. We are encouraged by our members’ dedication to their improved health and look forward to the continued partnership.

During fiscal year 2013, expenditures for our self funded medical and pharmacy, and fully-insured medical dental and vision benefits for state employees were \$472 million; a less than 1 percent increase over fiscal year

## Claims Paid Monthly

Per Member



2012 totals. We are seeing these moderations in paid claims costs in not just the last two years, but reflective in the last three years as represented in the chart above. Operating and third party claims administration expenses also remained at 2012 levels bolstered by continued improvements in technology strategies and competitive bidding for Plan services. For the fiscal year ended June 30, 2013, the state of Missouri, the employer, remains the largest single source of revenue to the Plan allowing for plan selections that pay more than 85 percent of non-medicare members total health care expenses excluding premium contributions. We stand committed to continue to develop and maintain comprehensive benefits while promoting effective utilization in a relationship with the state and our members that is cost effective.

The Board of Trustees values the trust our members place with us to act in the best fiduciary interests of the Plan. The fiscal health of the Plan remained strong in 2013 bolstered by the State's commitment of \$370 million in employer contributions, while members contributed more than \$142 million in premium. Non-operating revenue, primarily return on investment, increased by 3 million dollars over 2012 results.

We are gratified by the *momentum* we have created and look forward to the challenges ahead as we stay focused on our mission of delivering comprehensive and affordable health coverage to our membership. We thank the staff and advisors who have worked so diligently with us throughout the year.

Sincerely,

**Linda S. Luebbering**

Chairperson

Board of Trustees

November 27, 2013

# Board of Trustees



**John M. Huff**  
*Director*

Department of Insurance,  
Financial Institutions and  
Professional Registration  
Jefferson City

Ex Officio Member

Committees:  
Audit, Budget and Investment,  
Benefits and Wellness



**Chairperson**  
**Linda Luebbering**  
*State Budget Director*

Office of Administration  
Jefferson City

Governor-Appointed Member

Committees:  
Audit, Budget and Investment,  
Benefits and Wellness, Personnel



**Honorable Kevin  
McManus**  
*Missouri House  
of Representatives*

Kansas City

Appointed by the Speaker of  
the House of Representatives



**Doug Nelson**  
*Commissioner*

Office of Administration  
Jefferson City

Ex Officio Member

Committee:  
Appeals



**Honorable Myron Neth**  
*Missouri House  
of Representatives*

Liberty

Appointed by the Speaker of  
the House of Representatives



**Vice Chairperson**  
**Kaye Newsome**  
*Staff Vice President*

Commercial Sales Administration  
and Business Development  
WellPoint, Inc.

Governor-Appointed Member

Committees:  
Appeals, Benefits and Wellness,  
Personnel



**Honorable Rob Schaaf**

*Missouri Senate*

St. Joseph

Appointed by the President Pro  
Tem of the Senate



**Honorable Scott Sifton**

*Missouri Senate*

St. Louis County

Appointed by the President Pro  
Tem of the Senate



**Garry Taylor**

*Principal Owner*

GETCo Consulting Service

Missouri State Retiree,  
Jefferson City

Governor-Appointed Member

Committees:  
Audit, Budget and Investment



**Gail Vasterling**

*Acting Director*

Department of Health and  
Senior Services  
Jefferson City

Ex Officio Member

Committees:  
Audit, Budget and Investment,  
Benefits and Wellness, Personnel



**Michael Warrick**

*General Counsel*

Department of Agriculture  
Jefferson City

Governor-Appointed Member

Committees:  
Appeals, Personnel

\*One Governor-Appointed Member is currently open

# Professional Services

## **Audit Services**

Brown Smith Wallace, LLC  
Claim Technologies, Inc.

## **Medical Third Party Administrator**

UMR  
Coventry Health Care of Kansas

## **Banking**

Central Trust Bank

## **Medicare Supplement Plan**

UMR

## **Consulting**

Towers Watson

## **Pharmacy Benefit Manager**

Express Scripts, Inc.

## **Copay Plan**

UMR

## **Vision Program**

Vision Service Plan

## **Decision Support System**

Truven Health Analytics

## **Wellness Program**

StayWell Health Management

## **Dental Program**

Delta Dental

## **Disease Management Program**

UMR  
Coventry Health Care of Kansas

## **Employee Assistance Program**

Compsych

## **Health Savings Account (HSA)**

Central Bank

## **High Deductible Health Plan (HDHP)**

UMR

# Summary of Plan Provisions

## **Vision**

To be recognized and valued by our members as their advocate in providing affordable, accessible, quality health care options.

## **Purpose**

Established Jan. 1, 1994, the Missouri Consolidated Health Care Plan (MCHCP) was created to provide health care benefits to most state employees, retirees and their dependents, and public entities within the state that join the Plan.

## **Mission**

To provide access to quality and affordable health insurance to state and local government employees.

We will accomplish this by:

- Consolidating purchasing power and administration to achieve benefits not available to individual employer members
- Creating collaborations to ensure the needs of individual members are understood and met
- Ensuring fiscal responsibility
- Developing innovative delivery options and incentives
- Identifying and contracting with high-value plans
- Maintaining a high-quality and knowledgeable work force

## **Administration**

MCHCP administers medical, dental and vision benefits and an employee assistance program (EAP) for most members of the Missouri State Employees' Retirement System, Judicial Retirement Plan, some members of the Public School Retirement System, legislators, statewide elected officials and eligible public entity members. In addition, dental and vision benefits are available to employees and retirees of the Departments of Conservation and Transportation, and the Missouri State Highway Patrol. EAP benefits are available to active employees.

Missouri statutes provide that the administration of MCHCP be vested in a 13-member Board of Trustees. The Board is composed of:

- The Director of the Department of Health and Senior Services, serving ex officio
- The Director of the Department of Insurance, Financial Institutions and Professional Registration, serving ex officio
- The Commissioner of the state Office of Administration, serving ex officio
- Two members of the Senate, appointed by the President Pro Tem of the Senate
- Two members of the House of Representatives, appointed by the Speaker of the House of Representatives
- Six members appointed by the Governor with the advice and consent of the Senate. Of the six members appointed by the Governor, three shall be citizens of the state of Missouri who are not members of the plan but who are familiar with medical issues. The remaining three members of the Board shall be members of the plan.

The management of MCHCP is the responsibility of the Executive Director, who is appointed by the Board of Trustees and serves at its pleasure.

The Executive Director acts as advisor to the Board on all matters pertaining to MCHCP and, with the approval of the Board, contracts for professional services and employs the staff needed to operate the organization.

### **Medical Plans**

Preferred Provider Organization (PPO) plans and a High Deductible Health Plan with Health Savings Account (HDHP with HSA) are available to all members. Preventive care, including annual physical exams, age-specific screenings and immunizations, is covered at no cost to the member.

#### **Preferred Provider Organization (PPO) Plans**

MCHCP's PPO plans use a network of preferred providers. A PPO plan allows members to use any provider, but claim reimbursement is higher when utilizing the PPO network. The PPO plans have network benefits that require a deductible be met before claims are paid at varying percentages based on the PPO plan selected. The out-of-pocket maximum ensures a member's annual medical expenses are capped. One of the PPO plans provides copayments for office, urgent care and emergency room visits. Copayments do not count toward the deductible.

#### **High Deductible Health Plan with Health Savings Account (HDHP with HSA)**

The HDHP with HSA offers higher deductibles than most PPO plans but provides a tax-advantaged way to help members save for future medical expenses. Enrollment in an MCHCP-qualified HDHP is required for

participation in a Health Savings Account (HSA). The Internal Revenue Service establishes maximum annual HSA contribution amounts, but there is no limit on the balance of the HSA. MCHCP contributes funds to state members' HSAs on a bi-annual basis. HSA funds can be used for qualified medical and pharmacy expenses, and deductible and coinsurance amounts.

### Medicare Supplement Plan

State retirees with Medicare may enroll in the Medicare Supplement Plan. This plan helps cover some of the health care costs not covered by Medicare Parts A and B, such as coinsurance. This plan only pays for services that Medicare deems medically necessary.

### TRICARE Supplement Plan

MCHCP members with TRICARE, the Department of Defense's health benefit program for the military community, may enroll in the TRICARE Supplement Plan. This plan covers all out-of-pocket costs, including copayments and deductibles, for services covered by TRICARE.

### Prescription Drug Plan

With the exception of the TRICARE Supplement Plan, MCHCP medical plan members who are non-Medicare primary are automatically enrolled in the prescription drug plan. The plan maintains a broad choice of covered drugs and promotes the use of generic drugs. A drug formulary with required prior authorizations, quantity level limits and step therapy ensures members get the safest drugs at the best cost possible.

### Dental Plan

The dental plan offers a broad network of providers in the state. Preventive care, such as examinations and cleanings, is covered at 100 percent and does not count toward the plan year maximum benefit amount. Additional cleanings are provided for members who are pregnant, diabetic, have a suppressed immune system or have a history of periodontal therapy. The plan also covers fillings, extractions, root canals, bridges, dentures, crowns, the treatment of gum disease and other services with varying deductibles and coinsurance.

### Vision Plan

The vision plan offers set copayments for services received from network providers and allowances for services obtained from non-network providers. The plan covers examinations, lenses, frames, contact lenses and corrective laser surgery. Members can receive discounts on additional glasses and sunglasses from any provider within 12 months of an eye exam.

### **Employee Assistance Program (EAP)**

The EAP is a confidential counseling and referral service that can help employees and their families deal with life's challenges. EAP services are available at no cost to all active state employees and members of their households. The program can help with issues such as stress, parenting, alcohol and drug abuse, marital problems, anxiety, depression, legal and financial concerns, identity theft and consumer fraud protection.

### ***Strive for Wellness Program***

MCHCP's *Strive for Wellness* program responds to the health status of our population by focusing on helping employees understand health risks, make smart lifestyle choices, encouraging preventive screenings, and empowers them to take an active role in their health. Employees have access to a robust wellness program that provides health-related services, activities and information. Weekly email messages contain expert advice from Registered Dietitians on wellness-related topics.

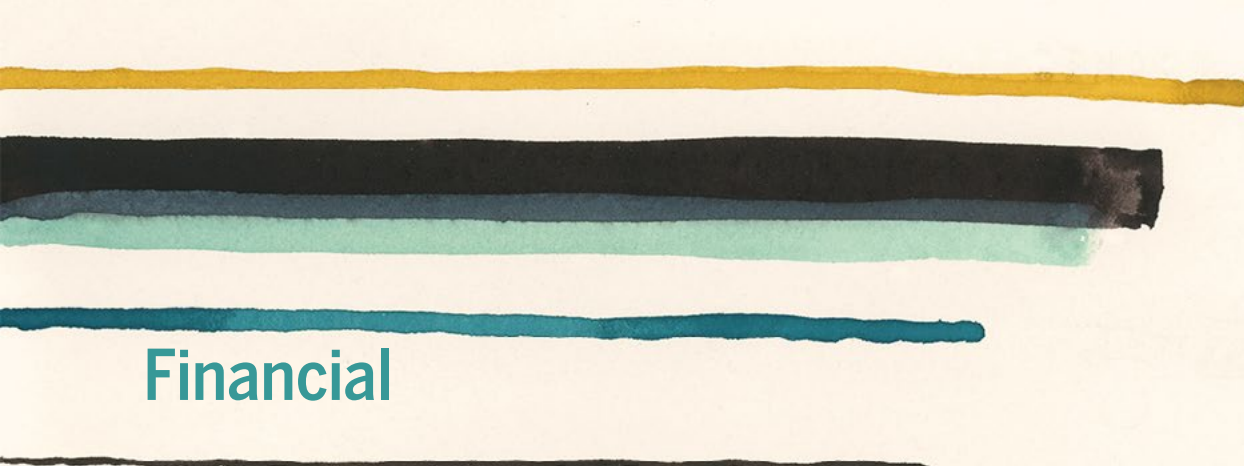
Each state agency has a Wellness Ambassador to organize on-site activities and services for fellow employees. The addition of Building Wellness Teams in regions located outside of the capitol complex is opening up wellness opportunities for employees statewide.

The *Strive for Wellness* program also offers premium incentives and telephonic health coaching to medical plan participants who meet specific health goals throughout the year. Members receive additional premium reductions for taking a yearly Health Assessment and having their health care provider fill out a form at their annual physical. Members and their spouses can both receive premium reductions for being tobacco-free or agreeing to participate in a tobacco cessation program.

Wellness encompasses more than just physical health—it extends into all facets of one's life. These facets are interconnected, and wellness means bringing them into a successful balance to improve quality of life.

### **Disease Management Program**

The Disease Management program encourages members with chronic conditions, such as diabetes and high blood pressure, to participate in a nurse coaching program. Members learn new ways to control their conditions, and avoid health crises and relapses that can lead to emergency room visits. Nurses may communicate with a member's health care provider to provide support between office visits. Qualified members who are engaged in the disease management program also enjoy reduced non-formulary prescription copayments.



Financial



Initiative



# Report of Independent Auditors



A MEASURABLE DIFFERENCE<sup>®</sup>

6 CITYPLACE DRIVE SUITE 900 ST. LOUIS, MO 63141 PH 314.983.1200 FX 314.983.1300 WWW.BSWALLC.COM

## Independent Auditor's Report

Board of Trustees  
Missouri Consolidated Health Care Plan  
Jefferson City, Missouri

### Report on the Financial Statements

We have audited the accompanying financial statements of each of the two major funds of Missouri Consolidated Health Care Plan (the "Plan") as of and for the fiscal year ended June 30, 2013, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND AN INDEPENDENT FIRM  
ASSOCIATED WITH THE NORTH AMERICAN REGION OF MOORE STEPHENS INTERNATIONAL LIMITED  
KNOWN INTERNATIONALLY AS MOORE STEPHENS BROWN SMITH WALLACE, LLC

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Plan as of June 30, 2013, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Financial Statements**

The financial statements of Missouri Consolidated Health Care Plan as of June 30, 2012 and 2011 were audited by other auditors whose report dated December 7, 2012, expressed an unmodified opinion on those statements.

### **Supplemental Information**

U.S. generally accepted accounting principles require management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Introductory and Statistical Sections**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. These sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Brown Smith Wallace, L.L.C.*

St. Louis, Missouri  
November 27, 2013

# Management's Discussion and Analysis

This section of the annual financial report provides an overview and analysis of the financial activities of the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal years ended June 30, 2013, 2012 and 2011. We encourage you to consider the information presented here in conjunction with additional information presented in the basic financial statements which follow this section.

Fiscal year ended June 30, 2013 became the sixth year of presentation for the adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement #43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Implementation was not required until fiscal year 2008 because MCHCP previously accounted and reported for its activities under GASB #10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. GASB #10 was amended by GASB #45 but remained in effect for accounting for healthcare benefits to retirees until the effective date of GASB #45. Thus, GASB #45 was effective for MCHCP's fiscal year ended June 30, 2008.

As a result of implementation, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust or SRWBT) to handle the post-employment benefits for state employees. Prior to that time, the Internal Service Fund (ISF) of MCHCP handled the activity of both active and retired participants. For the current fiscal year, even though there was no significant change from an operational aspect, the net position and activity related to active participants is reported in the ISF and the net position and activity related to retired participants is reported in the SRWBT in the accompanying financial statements.

## Fund Accounting

### Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MCHCP, like other discretely presented component units of the State of Missouri (as defined by GASB Statement #14), uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There

are three categories available for governmental accounting: governmental funds, proprietary funds and fiduciary funds. The ISF is considered to be a proprietary fund while SRWBT is classified as a fiduciary fund. MCHCP does not have any governmental funds.

### Proprietary funds

Proprietary funds account for governmental operations that are designed to be self-supporting from fees charged to consumers for the provision of those goods and services or where the government has decided that the periodic determination of revenues, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The accounting and financial reporting practices of proprietary funds are similar to those used for business enterprises and focus on capital maintenance and the flow of economic resources through the use of accrual accounting. Of the two types of proprietary funds, MCHCP maintains one type: internal service fund. Internal service funds account for the financing of goods or services provided by one governmental department or agency to another and are expected to be self-supporting through charges to users. MCHCP's purpose is to provide medical insurance benefits to the State of Missouri's and other participating Missouri public entities' employees, retirees, and their dependents.

### Fiduciary funds

Fiduciary funds account for assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs. Fiduciary fund accounting is similar to that used for proprietary funds. The purpose of the SRWBT is to provide health and welfare benefits for the exclusive benefit of current and retired employees of the State and their dependents who meet eligibility requirements, except for those retired members covered by other post employment benefit (OPEB) plans of the State.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements. Typically, governmental financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, because the Plan has only proprietary and fiduciary funds, government-wide financial statements are not presented. Proprietary funds present financial statement information in the same manner as government-wide financial statements only with more detail, and government-wide financial statements would be repetitive. In addition, fiduciary funds are not reflected in government-wide financial statements because the resources of that fund are not available to support MCHCP's own programs.

MCHCP presents the ISF and SRWBT on separate fund financial statements. For the ISF, the basic financial statements are comprised of the Statement of Plan Net Position; the Statement of Revenues, Expenses and Change in Net Position; and the Statement of Cash Flows. For SRWBT, the basic financial statements are comprised of the Statement of Plan Net Position and the Statement of Changes in Plan Net Position. The Notes to the Financial Statements are also part of the basic financial statements and apply to both the ISF and SRWBT. The financial statements are prepared on the accrual basis in accordance with U.S. generally accepted accounting principles applicable to governmental benefit plans.

The Statement of Plan Net Position present MCHCP's financial position as of the end of the fiscal year for each fund. Information is displayed as assets and liabilities, with the difference between the two reported as net position or deficit. The net position of MCHCP reflect the resources available as of the end of the fiscal year to pay benefits to members when due. Over time, increases and decreases in net position measure whether MCHCP's financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Change in Net Position and the Statement of Changes in Plan Net Position present information detailing the revenues and expenses that resulted in the change in net position that occurred during the current fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, contributions due from a public entity, even though not yet paid by year end, will be reflected as revenue. Likewise, claims that occurred during the fiscal year under self-funded plans will be reflected as an expense, whether or not they have been paid as of the end of the fiscal year.

The Statement of Cash Flows presents the cash inflows and outflows of the ISF categorized by operating, capital and related financing, and investing activities. It reconciles the beginning and end of year cash balances contained in the Balance Sheet. The effects of accrual accounting are adjusted out and noncash activities, such as depreciation, are removed to supplement the presentation in the Statement of Revenue, Expenses and Change in Net Position. A statement of cash flows is not required for the SRWBT.

The Notes to Financial Statements follow the above basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

## Financial Analysis

The following tables present summarized financial position and results for the fiscal years ending June 30, 2013, 2012, and 2011. Additional details are available in the accompanying basic financial statements.

Current assets have increased for each of the years ended June 30, 2013, 2012, and 2011 primarily due to changes in cash and cash equivalents as a result of positive results from operating activities.

Capital asset activity has been minimal as operations have not changed significantly during the years presented.

Decreases in rebates and other receivables during 2013 over 2012 are due primarily to the timing of the receipt of pharmacy and Medicare Part D rebates at each fiscal year end. Pharmacy rebates receivable at June 30, 2013, 2012 and 2011 respectively for the ISF were \$1,191,319, \$1,665,787 and \$1,518,566, while rebates for the SRWBT totaled \$2,051,763, \$2,644,814, and \$2,441,249 for the same period. Additionally contributing to the decrease, at June 30, 2013, the ISF did not incur a similar interest receivable of \$1,000,000 as had occurred at prior year end, June 30, 2012.

Accrued medical claims and fees decreased for the ISF for the year ended June 30, 2013 over 2012, due primarily to a reduction in the IBNR (incurred but not reported) estimate. Health risk profiles of plan participants remained relatively stable during calendar year 2013 as compared to the 2012 plan year and assisted in the moderation of estimates. Accrued medical claims and fees for the SRWBT also decreased for the year ended June 30, 2013 over 2012, primarily due to the decrease in the IBNR estimate and the risk profiles and claims payment patterns of the third party administrators. Accrued medical claims and fees at June 30, 2011 for the ISF was indicative of active enrollment of approximately 2.8 percent higher than in 2012 and approximately 1 percent lower for retirees in the SRWBT.

Deferred premium revenues for the periods ended June 30, 2013, 2012 and 2011 are influenced by the State's contribution at June 30th for each of the years ended and the level of contribution applicable to the receipt. For both the ISF and SRWBT, deferred premiums totaled \$25,548,750 at June 30, 2013, a decrease over the previous fiscal year ended 2012, due primarily to the State's contribution at June 30, 2013, being lower than the previous year end. Although no funds were available for application during the fiscal year ended June 30, 2013, during fiscal year 2012 and 2011 respectively, the MCHCP applied for and received \$6,242,377 and \$5,395,183, respectively, from the Early Retiree Reinsurance Program (ERRP). The Early Retiree Reinsurance Program was authorized by the Patient Protection and Affordable Care Act.

## Statement of Plan Net Position

### Internal Service Fund

ASSETS	2013	2012	2011
Current assets	\$201,899,611	\$183,787,305	\$146,077,527
Capital assets	303,274	344,762	333,028
<b>Total assets</b>	<b>\$202,202,885</b>	<b>\$184,132,067</b>	<b>\$146,410,555</b>
LIABILITIES & NET POSITION			
Accrued medical claims and fees	\$36,731,697	\$40,696,169	\$42,047,885
Deferred premiums and other liabilities	35,042,903	42,639,991	40,615,410
<b>Total current liabilities</b>	<b>\$71,774,600</b>	<b>\$83,336,160</b>	<b>\$82,663,295</b>
NET POSITION			
Unrestricted	\$130,165,565	\$100,539,626	\$63,414,232
Invested in capital assets, net of related debt	262,720	256,281	333,028
Total net position	130,428,285	100,795,907	63,747,260
<b>Total liabilities and net position</b>	<b>\$202,202,885</b>	<b>\$184,132,067</b>	<b>\$146,410,555</b>

Funds in the amount of \$5,827,547 and \$2,975,381, respectively were utilized to offset member premiums for the years ended June 30, 2013 and 2012, leaving approximately \$2.8 million deferred for future periods. Deferred premiums and other liabilities are most significantly influenced by the state's payroll cycle and the timing of receipt of premium payments to MCHCP prior to the effective date of coverage. SRWBT deferred revenues are composed of premium deductions from retiree benefit checks received from MOSERS prior to the effective month of coverage.

State/Employer contributions for fiscal years 2013, 2012 and 2011 for both the ISF and the SRWBT totaled \$370,313,220, \$376,894,548, and \$407,600,556. Funding for the years represented are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee health benefits. Ultimately, claims costs for state employees are backed by the State of Missouri should State/Employer contributions not be sufficient to cover claims needs.

Member contributions for the ISF and SRWBT for the years ended June 30, 2013, 2012 and 2011, are influenced primarily by the mix of enrollment and the relative plan design for the respective years.

Public entity enrollment at June 30, 2013, decreased approximately nine percent over enrollment at June 30, 2012. The reduction in enrollment in 2013 resulted in approximately a three percent decrease in public entity contributions over contributions for the same period ended June 30, 2012. Contributions for the three years ended June 30, 2013, 2012 and 2011 were \$8,215,776, \$8,492,621 and \$9,513,437, respectively.

Beginning January 1, 2006, Medicare prescription drug coverage was made available to all people with Medicare, regardless of income, health status, or current health care. Because the prescription drug coverage offered by MCHCP was actuarially considered, on average for all plan participants to be at least as good as standard Medicare coverage, members were encouraged to keep their MCHCP coverage. During fiscal years 2013, 2012 and 2011 the SRWBT received \$7,083,186, \$8,276,097, and \$8,216,818 in subsidy payments for both the retiree drug subsidy and other rebates, respectively.

Wellness and disease management programs are incorporated in an effort to promote healthy member outcomes and for cost containment measures. Operating expenses and vendor costs remained relatively unchanged and increases were primarily mitigated due to competitive procurement for third party administrator services and influenced by technology and automation in Plan operations. For the years ended June 30, 2013 through 2011, the disease management costs are included in the monthly third party administrator fees paid to the administrator. Self-funded health care costs for the period ended June 30, 2013, 2012 and 2011 for the ISF and the SRWBT totaled \$436,237,514, \$421,935,029, and \$456,882,919, respectively.

Fluctuations in self-funded expenditures for the periods ended June 30, 2013, 2012, and 2011, are reflective of enrolled populations and the mix and related medical trend in both medical and pharmacy costs. Moderation of self funded expenditure increases are related to the attention given to

## Statement of Plan Net Position

### State Retiree Welfare Benefit Trust

ASSETS	2013	2012	2011
Cash and cash equivalents	\$2,712,108	\$4,239,441	\$3,505,970
Due from MCHCP	13,021,176	15,633,758	14,692,830
Investments, at fair value	84,504,121	76,407,124	73,948,417
RECEIVABLES			
Prescription drug rebates	900,913	1,255,081	1,047,530
Retiree drug subsidy	1,150,850	1,389,733	1,393,719
Other receivables	260,287	307,689	348,141
Total receivables	2,312,050	2,952,503	2,789,390
<b>Total assets</b>	<b>\$102,549,455</b>	<b>\$99,232,826</b>	<b>\$94,936,607</b>
LIABILITIES			
Accrued medical claims and capitation fees	\$8,569,000	\$10,052,000	\$9,534,000
Deferred revenue	4,202,385	5,314,127	4,924,102
Other liabilities	249,791	267,631	258,647
<b>Total liabilities</b>	<b>\$13,021,176</b>	<b>\$15,633,758</b>	<b>\$14,716,749</b>
<b>Net position, held in trust for other post-employment benefits</b>	<b>\$89,528,279</b>	<b>\$83,599,068</b>	<b>\$80,219,858</b>

improving health risk profiles and Plan initiatives surrounding wellness health promotion programs. Efforts continue to expand education and awareness with wellness ambassadors and pilot programs within workforces to encourage and promote healthy lifestyles and empower members in appropriate benefit utilization. Claims administrative service costs are based on the enrollment in self-funded options for the periods of 2013 through 2011.

MCHCP's cash is invested conservatively in overnight repurchase agreements to preserve principal and maintain liquidity. The Plan utilizes a master investment policy and instruments are predicated on an asset allocation model approved by the Board of Trustees. Investment income for the ISF and SRWBT consists of interest income, unrealized gains and losses in fair value, accretion of discounts, and amortization of premiums. Investment income for the ISF and the SRWBT was realized in the amount of \$7,312,449 for 2013, \$4,344,989 for 2012, and \$9,547,343 for 2011 and is predicated on the availability of investable assets and the economic conditions influencing market conditions.

MCHCP's actuary reviews the financial assets of MCHCP in conjunction with obligations and the funding available as provided by the Missouri General Assembly. Due to recent economic conditions facing the State, the MCHCP, members of the General Assembly, and the State's Office of Budget and Planning meet regularly to discuss funding needs and projected claims expenditures in an effort to develop funding levels for the Plan. Ultimately, the funding of claims costs are backed by the State of Missouri should contributions be unable to meet claims obligations.

## Condensed Statement of Revenue, Expenses & Change in Net Position

### Internal Service Fund

	2013	2012	2011
OPERATING REVENUES			
State/employer contributions	\$316,307,501	\$319,804,444	\$354,247,003
State employee/member contributions	90,793,617	89,797,753	83,925,846
Public entity contributions	8,215,776	8,492,621	9,513,436
Subcontractor and other rebates	4,256,453	5,375,360	4,522,990
<b>Total operating revenues</b>	<b>\$419,573,347</b>	<b>\$423,470,178</b>	<b>\$452,209,275</b>
OPERATING EXPENSES			
Medical claims and capitation expense	\$383,281,365	\$381,291,864	\$422,066,045
General and administration expense	7,096,513	5,983,130	6,283,507
<b>Total operating expenses</b>	<b>\$390,377,878</b>	<b>\$387,274,994</b>	<b>\$428,349,552</b>
Operating income	29,195,469	36,195,184	23,859,723
Investment income and other changes	436,909	853,463	708,812
Excess of revenues over expenses	\$29,632,378	\$37,048,647	\$24,568,535
Net position, beginning of the year	100,795,907	63,747,260	39,178,725
<b>Net position, end of the year</b>	<b>\$130,428,285</b>	<b>\$100,795,907</b>	<b>\$63,747,260</b>

## Statement of Change in Plan Net Position

### State Retiree Welfare Benefit Trust

	2013	2012	2011
<b>ADDITIONS</b>			
Employer contributions	\$54,005,719	\$57,090,104	\$53,353,553
Retiree contributions	51,217,932	50,832,210	50,923,370
Investment income	6,882,517	3,491,526	8,838,531
Retiree drug subsidy and other rebates	7,083,186	8,276,097	8,216,818
<b>Total additions</b>	<b>\$119,189,354</b>	<b>\$119,689,937</b>	<b>\$121,332,272</b>
<b>DEDUCTIONS</b>			
Medical claims and capitation expense	\$106,638,547	\$109,968,530	\$107,360,435
Claims administration services	3,996,858	3,764,844	4,115,613
Administration and other	2,624,738	2,577,353	2,831,271
<b>Total deductions</b>	<b>\$113,260,143</b>	<b>\$116,310,727</b>	<b>\$114,307,319</b>
Net increase	5,929,211	3,379,210	7,024,953
<b>Net position held in trust for other post-employment benefits</b>			
Beginning of year	83,599,068	80,219,858	73,194,905
<b>End of year</b>	<b>\$89,528,279</b>	<b>\$83,599,068</b>	<b>\$80,219,858</b>

## Summary

During the years presented, MCHCP faced a tightened State budget, which compelled it to continue to pursue opportunities in cost containment, member engagement in healthy outcomes and changes to benefit offerings. Combined with expected continued escalation in health care costs, MCHCP faces significant challenges in an effort to provide affordable health care coverage to its members. As a result, MCHCP has explored a full range of viable options to accommodate the State budget, including changes in benefit design, modifications in copayments, deductibles, and premiums, and the evaluation of provider networks. Wellness and disease management programs are becoming the progressive instrument to continue to foster healthier outcomes and reduce claims expenditures. The overall financial position of MCHCP is reliant upon state funding, cost containment and comprehensive benefits review of the self-funded programs to promote a healthier membership in MCHCP.

## Requests For Information

This financial report is designed to provide a general overview of MCHCP's financial position for all those with an interest in MCHCP. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Missouri Consolidated Health Care Plan, 832 Weathered Rock Court, PO Box 104355, Jefferson City, Missouri 65110-4355.

## Statement of Plan Net Position

*Internal Service Fund as of June 30, 2013 & 2012*

ASSETS		
CURRENT ASSETS	2013	2012
Cash and cash equivalents	\$163,958,663	\$145,622,239
Investments, at fair value	36,098,581	34,916,963
Rebates and other receivables	1,736,386	3,126,455
Prepaid expenses	105,981	121,648
<b>Total current assets</b>	<b>\$201,899,611</b>	<b>\$183,787,305</b>
CAPITAL ASSETS		
Furniture, fixtures and equipment, net of accumulated depreciation of \$2,549,467 and \$2,569,078, respectively	303,274	344,762
<b>Total assets</b>	<b>\$202,202,885</b>	<b>\$184,132,067</b>
LIABILITIES & NET POSITION		
Accrued medical claims and capitation fee expense	\$36,731,697	\$40,696,169
Accounts payable and accrued expenses	675,362	761,718
Due to SRWBT	13,021,176	15,633,758
Deferred premium revenue	21,346,365	26,244,515
<b>Total current liabilities</b>	<b>\$71,774,600</b>	<b>\$83,336,160</b>
NET POSITION		
Unrestricted	\$130,165,565	\$100,539,626
Invested in capital assets, net of related debt	262,720	256,281
Total net position	130,428,285	100,795,907
<b>Total liabilities and net position</b>	<b>\$202,202,885</b>	<b>\$184,132,067</b>

*The accompanying notes are an integral part of the financial statements.*

## Statement of Revenues, Expenses & Change in Net Position

*Internal Service Fund, for the years ended June 30, 2013 & 2012*

	2013	2012
OPERATING REVENUES		
State/employer contributions	\$316,307,501	\$319,804,444
Member contributions	90,793,617	89,797,753
Public entity contributions	8,215,776	8,492,621
Pharmacy rebates	4,256,453	5,375,360
<b>Total operating revenues</b>	<b>\$419,573,347</b>	<b>\$423,470,178</b>
OPERATING EXPENSES		
Medical claims and capitation expense	\$372,475,046	\$369,224,125
Claims administration services	10,806,319	10,715,326
Payroll and related benefits	2,956,116	2,995,419
Health management	1,306,988	1,352,413
Administration	1,027,846	890,138
Professional services	1,219,526	1,410,821
Employee Assistance Program	586,037	686,752
<b>Total operating expenses</b>	<b>\$390,377,878</b>	<b>\$387,274,994</b>
Operating revenues over operating expenses	29,195,469	36,195,184
NON-OPERATING REVENUES		
Investment and other income	436,909	853,463
Change in net position	\$29,632,378	\$37,048,647
Net position, beginning of year	100,795,907	63,747,260
<b>Net position, end of year</b>	<b>\$130,428,285</b>	<b>\$100,795,907</b>

*The accompanying notes are an integral part of the financial statements.*

## Statement of Cash Flows

*Internal Service Fund, years ended June 30, 2013 & 2012*

### CASH FLOWS

	<b>2013</b>	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from State, employer, members and public entities	\$416,065,267	\$423,572,733
Cash payments for medical claims and capitation fee payments	(376,439,517)	(370,575,842)
Cash payments to employees for services	(2,956,116)	(2,995,417)
Cash payments to other suppliers of goods and services	(14,833,265)	(15,034,572)
Net cash provided by operating activities	21,836,369	34,966,902
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Changes in amounts due to SRWBT	(2,612,582)	940,929
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of furniture, fixtures and equipment	(142,651)	(61,049)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from investment income; net of investment expenses	30,115	2,029,420
Purchases of investments	(16,105,963)	(32,114,617)
Proceeds from investments	15,331,135	30,928,273
Net cash provided (used) by investing activities	(744,713)	843,076
Net increase in cash and cash equivalents	18,336,423	36,689,858
Cash and cash equivalents, beginning of year	145,622,240	108,932,381
<b>Cash and cash equivalents, end of year</b>	<b>\$163,958,663</b>	<b>\$145,622,239</b>

### RECONCILIATION OF OPERATING REVENUES OVER OPERATING EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating revenues over operating expenses	29,195,469	36,195,184
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### ADJUSTMENTS

#### ADJUSTMENTS TO RECONCILE OPERATING REVENUES OVER OPERATING EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Depreciation	\$184,139	\$182,036
<b>CHANGES IN ASSETS AND LIABILITIES</b>		
Rebates and other receivables	1,390,069	(918,680)
Prepaid expenses	15,667	(90,852)
Accrued medical claims and capitation fees	(3,964,470)	(1,351,716)
Accounts payable and accrued expenses	(86,355)	(70,304)
Deferred premium revenue	(4,898,150)	1,021,234
Total adjustments	(7,359,100)	(1,228,282)
<b>Net cash provided by operating activities</b>	<b>\$21,836,369</b>	<b>\$34,966,902</b>

### NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Change in fair value of investments	362,470	(96,166)
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*The accompanying notes are an integral part of the financial statements.*

## Statement of Plan Net Position

### State Retiree Welfare Benefit Trust

ASSETS	2013	2012
Cash and cash equivalents	\$2,712,108	\$4,239,441
Due from MCHCP	13,021,176	15,633,758
<i>INVESTMENTS, AT FAIR VALUE</i>		
Mutual Funds	21,270,992	16,063,712
Equities	20,272,472	14,689,553
Corporate	14,358,210	13,741,031
Collateralized Mortgage Obligations	12,067,386	19,419,852
U.S. Government Guaranteed Mortgages	9,462,737	5,375,380
U.S. Agencies	5,212,224	7,117,596
Equities (Pfd.)	1,860,100	—
<b>Total Investments</b>	<b>\$84,504,121</b>	<b>\$76,407,124</b>
<i>RECEIVABLES</i>		
Prescription drug rebates	\$900,913	\$1,255,081
Retiree drug subsidy	1,150,850	1,389,733
Other receivables	260,287	307,689
Total receivables	2,312,050	2,952,503
<b>Total assets</b>	<b>\$102,549,455</b>	<b>\$99,232,826</b>
 <i>LIABILITIES</i>		
Accrued medical claims and capitation fees	\$8,569,000	\$10,052,000
Deferred revenue	4,202,385	5,314,127
Other liabilities	249,791	267,631
<b>Total liabilities</b>	<b>\$13,021,176</b>	<b>\$15,633,758</b>
<b>Net position, held in trust for other post-employment benefits</b>	<b>\$89,528,279</b>	<b>\$83,599,068</b>

## Statement of Change in Plan Net Position

### State Retiree Welfare Benefit Trust

ADDITIONS	2013	2012
Employer contributions	\$54,005,719	\$57,090,104
Retiree contributions	51,217,932	50,832,210
Investment income	6,882,517	3,491,526
Retiree drug subsidy and other rebates	7,083,186	8,276,097
<b>Total additions</b>	<b>\$119,189,354</b>	<b>\$119,689,937</b>
 <i>DEDUCTIONS</i>		
Medical claims and capitation expense	\$106,638,547	\$109,968,530
Claims administration services	3,996,858	3,764,844
Administration and other	2,624,738	2,577,353
<b>Total deductions</b>	<b>\$113,260,143</b>	<b>\$116,310,727</b>
Net increase	5,929,211	3,379,210
<b>Net position held in trust for other post-employment benefits</b>		
Beginning of year	83,599,068	80,219,858
<b>End of year</b>	<b>\$89,528,279</b>	<b>\$83,599,068</b>

# Notes to Financial Sections

## 1. General

The Missouri Consolidated Health Care Plan (the Plan) was statutorily created and organized on Jan. 1, 1994, with the purpose of providing medical insurance benefits to the State of Missouri's (State) employees, retirees and their dependents as well as other Missouri public entity employees, retirees and their dependents. Prior to 1994, medical insurance benefits for the State's employees, retirees and their dependents were provided by Missouri State Employees' Retirement System (MOSERS) medical care plan. On Jan. 1, 1994, through a transfer agreement between the Plan and MOSERS, all MOSERS-related medical care plan assets and liabilities were transferred to the Plan.

The Plan currently has approximately 96,000 active and retired State members and dependents, 1,262 public entity members and dependents, and more than 97,000 covered lives, and is funded through both employer and employee contributions. Through December 31, 1994, all Plan members were State employees, retirees and their dependents. Beginning January 1, 1995, additional members included public entity employees, retirees and dependents.

State contribution rates are based on the State's approved appropriation and the number of anticipated participants. State employee and public entity contribution rates are established by the Plan's Board of Trustees based on contractor bids for the plan year and budgeted employer contributions.

Governmental Accounting Standards Board (GASB) has two statements related to accounting and reporting for post employment benefits other than pensions (OPEB): GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which was first effective for certain governments with fiscal years beginning after December 15, 2006, and GASB No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which was generally first effective one year prior to the effective dates of GASB No. 45.

MCHCP is a risk pool and administers an "agent multiple employer plan" because each employer remains individually responsible for financing its own commitment to provide benefits to its participants, including any eligible

retirees. During the fiscal year ended June 30, 2008, MCHCP implemented the provisions of GASB Statement No. 43. As a result of implementation, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust, or SRWBT) to handle the post-employment benefits for State employees.

SRWBT was established and organized on June 27, 2008, pursuant to the Revised Statutes of Missouri (2000) as amended (“RSMo”) 103.003 through 103.178 to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements except for those retired members covered by other post-employment benefit (OPEB) plans of the State. The SRWBT is considered a cost-sharing multiple employer plan because it covers various State agencies and legally separate component units. It is administered by Plan staff under the direction of the Plan Board of Trustees. The SRWBT does not issue a separate audited financial report.

Beginning June 30, 2009, the net position and activity related to active participants are reported in the Internal Service Fund (ISF), and the net position and activity related to retired participants are reported in the SRWBT in the accompanying financial statements. In the following footnotes, the term “the Plan” refers to both the ISF and SRWBT. Disclosures that are specific to the ISF or SRWBT are separately noted.

The Plan is considered a part of the State’s financial reporting entity and is included in the State’s financial reports as a component unit. As the Plan is considered a political subunit of the State and provider of essential governmental services, it is not subject to federal income taxes, nor to the provisions of the Employee Retirement Income Security Act of 1974. The Plan is administered according to Missouri statutes. These statutes do not include a provision for the termination of the Plan.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **2. Summary of Significant Accounting Policies**

### **A. Basis of Accounting**

The financial statements of the ISF are intended to present the financial position and the changes in cash flows of only that portion of the activities attributable to the transactions of the ISF. The ISF is accounted for as a proprietary fund.

The Plan's financial statements for the ISF were prepared using the accrual basis of accounting, in accordance with GAAP, as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, establishes the GAAP hierarchy for proprietary funds. The statement requires that proprietary activities apply to all applicable GASB pronouncements. The Plan implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* for the fiscal year ended June 30, 2013. The objective of the statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Plan must also apply Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before Nov. 30, 1989, to the extent that they do not conflict with GASB pronouncements.

The financial statements of the SRWBT are intended to present the financial position and the changes in cash flow of only that portion of the activities attributable to the transactions of the SRWBT. Benefits and refunds of the SRWBT are recognized when due and payable in accordance with the terms of the plan. The SRWBT is accounted for as a fiduciary fund. Accordingly, the financial statements are prepared using the accrual basis of accounting in conformity with GAAP.

### B. Method Used to Value Investments

Investments are reported at fair value on a trade-date basis with changes in fair value recorded in investment income on the statement of revenues, expenses and change in net position. Investments are recorded at fair value as determined by quoted market price, when available, or estimated fair value when not available. Many factors are considered in arriving at that fair market value. In general, however, bonds and mortgages are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Realized gains and losses are based on the specific identification basis. The calculation of realized gains and losses is independent of the calculation of the change in net unrealized gains and losses.

### C. Deposits & Investments

The Plan considers all highly liquid investments, readily convertible into cash with original maturities of three months or less, to be cash equivalents.

### *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan would not be able to recover

deposits or collateral securities in the possession of an outside party. In an effort to mitigate custodial credit risk, the Plan requires the bank to sweep the accounts each night into overnight repurchase agreements for which the underlying securities must be of the type approved by the State. All remaining cash balances are to be insured or appropriately collateralized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, the Plan would not be able to recover the value of investments or collateral securities in the possession of an outside party. The Plan does not have a formal policy regarding custodial credit risk. However, the bank acting as the investment manager has been approved by the Plan's Board of Trustees.

### *Deposits*

Cash balances represent operating bank account balances. To maximize investment income, the float caused by outstanding checks is invested in overnight repurchase agreements, thus causing a negative carrying value.

At June 30, 2013, cash held in the financial institution had a bank balance of \$56,945 and a carrying value of (\$13,006,142). Of the bank balance, \$56,945 was covered by federal depository insurance. The remaining \$179,676,913 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

At June 30, 2012, cash held in the financial institution had a bank balance of \$73,504 and a carrying value of (\$12,529,679). Of the bank balance, \$73,504 was covered by federal depository insurance. The remaining \$162,391,359 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

The Plan's contracted yield on its overnight repurchase agreements was 22 basis points above the prevailing 91-day U.S. Treasury Bill rate as of June 30, 2013 and 2012, respectively.

### *Investments*

In December 2005, the Plan adopted a revised investment policy to maximize investment earnings for the ISF. The Plan's investment policy for the ISF is predicated on the primary objectives of safety, liquidity, and yield, in order of priority. Investments in bankers' acceptances and commercial paper are required to mature and become payable not more than 180 days from the date of purchase. All other investments are required to mature and become payable not more than five years from the date of purchase. The weighted average life should not exceed three years and should be consistent with the investment objectives.

The Board of Trustees, in July 2009, adopted an asset allocation model for the SRWBT that implemented a moderate investment approach allocating 33 percent to equities. This approach was approved to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models.

The Plan follows the “prudent person” rule for investment decisions. Essentially, the Plan operates as a prudent person acting in a like capacity and familiar with similar matters would act in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibilities with respect to the Plan is covered by this “prudent person” rule. As of June 30, 2013 and 2012, the Plan had the following investments as presented below.

## Investments

### *Internal Service Fund*

INVESTMENTS	2013 Market Value	2012 Market Value
U.S. Agencies	\$20,759,229	\$19,013,041
U.S. Government Guaranteed Mortgages	27,255	332,038
U.S. Treasury	15,312,097	15,571,884
<b>Total Investments</b>	<b>\$36,098,581</b>	<b>\$34,916,963</b>

## Investments

### *State Retiree Welfare Benefit Trust*

INVESTMENTS	2013 Market Value	2012 Market Value
U.S. Agencies	\$5,212,224	\$7,117,596
U.S. Government Guaranteed Mortgages	9,462,737	5,375,380
Corporate	14,358,210	13,741,031
Collateralized Mortgage Obligations	12,067,386	19,419,852
Equities (Pfd.)	1,860,100	–
Equities	20,272,472	14,689,553
Mutual Funds	21,270,992	16,063,712
<b>Total Investments</b>	<b>\$84,504,121</b>	<b>\$76,407,124</b>

### *Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of the ISF’s investment in a single issue. To mitigate this risk, the ISF’s investment policy provides general guidelines on diversification. Investments in U.S. Treasuries and securities, collateralized time and demand deposits, and collateralized repurchase agreements can constitute up to 100 percent of the investment portfolio; U.S. government agencies, including mortgage-backed securities, cannot exceed 60 percent of the portfolio; and U.S.

government agency callable securities, bankers' acceptances and commercial paper cannot exceed 30 percent of the portfolio. The SRWBT has implemented an investment approach allocating 33 percent to equities.

### *Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan minimizes this risk by only authorizing investment types approved by the Treasurer of the State of Missouri, limiting investments to the safest types of securities, and diversifying the portfolio so potential losses on individual securities will be minimized. The Plan's investments by credit rating category as of June 30, 2013 and 2012 are presented below.

### **Credit Risk**

#### *Internal Service Fund*

	2013	2013	2012	2012
INVESTMENTS	<u>Market Value</u>	<u>Avg. Ratings</u>	<u>Market Value</u>	<u>Avg. Ratings</u>
U.S. Agencies	\$20,759,229	Aaa/AA+	\$19,013,041	Aaa/AA+
U.S. Government Guaranteed Mortgages	27,255	Aaa/AA+	332,038	Aaa/AA+
U.S. Treasury	15,312,097	Aaa/AA+	15,571,884	Aaa/AA+
<b>Total Investments</b>	<b>\$36,098,581</b>		<b>\$34,916,963</b>	

### **Credit Risk**

#### *State Retiree Welfare Benefit Trust*

	2013	2013	2012	2012
INVESTMENTS	<u>Market Value</u>	<u>Avg. Ratings</u>	<u>Market Value</u>	<u>Avg. Ratings</u>
U.S. Agencies	\$5,212,224	Aaa/AA+	\$7,117,596	Aaa/AA+
U.S. Government Guaranteed Mortgages	9,462,737	Aaa/AA+	5,375,380	Aaa/AA+
Corporate	14,358,210	A1/A+	13,741,031	A2
Collateralized Mortgage Obligations	12,067,386	Aaa/AA+	19,419,852	Aaa/AA+
Equities (Pfd.)	1,860,100	Aa3/A	—	—
Equities	20,272,472	A-	14,689,553	A-
Mutual Funds	21,270,992	3-STAR	16,063,712	3-STAR
<b>Total Investments</b>	<b>\$84,504,121</b>		<b>\$76,407,124</b>	

### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan minimizes this risk by

1. Structuring the portfolio so securities mature to meet cash requirements for ongoing operations,
2. Using cash flow modeling to moderate the interest rate risk by reducing any unanticipated security sales that could result in a loss of principal and,
3. Maintaining the operating funds primarily in repurchase agreements according to the banking contract.

For the interest rate risk measurement for the Plan, Central Bank employs the duration method. The maturities of the Plan's investments as of June 30, 2013 and 2012 are presented below.

## Interest Risk Rate

### *Internal Service Fund*

	2013	2013	2012	2012
INVESTMENTS	<u>Market Value</u>	<u>Avg. Duration</u>	<u>Market Value</u>	<u>Avg. Duration</u>
U.S. Agencies	\$20,759,229	2.73	\$19,013,041	2.33
U.S. Government Guaranteed Mortgages	27,255	0.56	332,038	0.67
U.S. Treasury	15,312,097	2.14	15,571,884	2.30
<b>Total Investments</b>	<b>\$36,098,581</b>		<b>\$34,916,963</b>	

## Interest Risk Rate

### *State Retiree Welfare Benefit Trust*

	2013	2013	2012	2012
INVESTMENTS	<u>Market Value</u>	<u>Avg. Duration</u>	<u>Market Value</u>	<u>Avg. Duration</u>
U.S. Agencies	\$5,212,224	9.02	\$7,117,596	6.20
U.S. Government Guaranteed Mortgages	9,462,737	8.80	5,375,380	8.72
Corporate	14,358,210	7.03	13,741,031	6.47
Collateralized Mortgage Obligations	12,067,386	3.33	19,419,852	3.35
Equities (Pfd.)	1,860,100	–	–	–
Equities	20,272,472	–	14,689,553	–
Mutual Funds	21,270,992	–	16,063,712	–
<b>Total Investments</b>	<b>\$84,504,121</b>		<b>\$76,407,124</b>	

## *Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan has no investments subject to foreign currency risk.

## D. Interfund Activity & Balances

As disclosed above, the ISF provides all administrative responsibilities related to SRWBT, which has no separate facilities or staff. Expenses directly attributable to SRWBT are charged to SRWBT. Other operating expenses, including personnel, are allocated between the ISF and the SRWBT based on participant counts for retired and active participants. The balance of the interfund receivable/payable represents the excess of SRWBT contributions collected by the ISF Plan over expenses paid by the ISF Plan for SRWBT.

## E. Receivables

The Plan receives a retiree drug subsidy from the federal government for Medicare Part D Prescription Drug Plan eligible members. For fiscal years ended June 30, 2013 and 2012, all subsidies are recorded in the SRWBT, as

the program is only for retirees. Estimated revenue is recognized as SRWBT incurs Medicare-eligible retiree prescription drug expenditures.

In addition, the Plan receives rebates from its pharmacy benefit manager related to manufacturers' rebates and other guaranteed rebates for non-Medicare Part D prescriptions. For the years ended June 30, 2013 and 2012, these rebates are allocated between the ISF and the SRWBT. Estimated revenue is recognized for rebates based on prescription claims counts and historical average rebate per claim.

Traditionally, receivables are composed of primarily pharmacy rebates from the pharmacy benefit manager and the Medicare Part D subsidy. Other receivables include interest income and miscellaneous premium amounts.

#### F. Furniture, Fixtures & Equipment

Furniture, fixtures and equipment are capitalized at cost when acquired. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Furniture and fixtures are depreciated over a 10-year useful life. Data processing equipment is depreciated over a five-year useful life. Threshold for the capitalizing of assets is \$250.

Maintenance and repairs are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or retired are removed from the related accounts, and the resulting gains or losses are reflected as nonoperating gains or losses in the statement of revenues, expenses and change in net position. The changes in Furniture, Fixtures and Equipment for the years ended June 30, 2013 and 2012 are as presented in the chart below.

#### Furniture, Fixtures & Equipment

##### *Missouri Consolidated Health Care Plan*

	2013	2012
<b>ADDITIONS</b>		
Balance, beginning of year	\$2,913,840	\$2,877,958
Additions	142,651	193,770
Deletions	(203,750)	(157,888)
<b>Balance, end of year</b>	<b>\$2,852,741</b>	<b>\$2,913,840</b>
<b>ACCUMULATED DEPRECIATION</b>		
Balance, beginning of year	\$2,569,078	\$2,544,930
Depreciation expense	184,139	182,036
Deletions	(203,750)	(157,888)
<b>Balance, end of year</b>	<b>\$2,549,467</b>	<b>\$2,569,078</b>

## G. Plan Funding

### *State Appropriations/Contributions*

Funds are appropriated to the Plan by the Missouri State General Assembly. Premiums are received one-half prior to the month of coverage and one-half during the month of coverage. Funds are received by the Plan every two weeks and coincide with the State's payroll cycle.

The State's monthly per-member active contribution for fiscal years 2013, 2012, and 2011 averaged \$656, \$659 and \$699 per month respectively. The State's contribution per member to fund the current fiscal year cost of retiree plan benefits for the years ended June 30, 2013 and 2012 averaged 4.03 and 4.14 percent of active employee covered payroll, respectively. The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2013 and 2012, respectively. All state appropriations are available to pay benefits for both active and retired participants except for the amounts contributed to fund the OPEB reserve.

### *Member Premiums*

Monthly member premiums for State employees are established annually by the Plan's Board of Trustees. These premiums are deducted from employee payroll checks in advance. Additionally, the Plan bills members who are not receiving payroll checks two weeks in advance.

### *Public Entity Premiums*

Monthly public entity premiums are established annually by the Plan's Board of Trustees. The Plan bills the public entities two weeks in advance.

### *Deferred Premium Revenue*

Deferred premium revenue includes premium revenue from the members, public entities, and the State received in advance of the month coverage is provided. Although no Early Retiree Reinsurance Program (ERRP) funds were available for application during fiscal year 2013 for the 2014 calendar Plan year, the Plan applied for and received \$5.4 million in the fiscal year ended June 30, 2012 and these funds were immediately deferred and utilized to lower premiums for the 2013 plan year. For the fiscal years ended June 30, 2013 and 2012, \$5,827,547 and \$2,975,381 was utilized to lower premiums for members. The ERRP program was authorized by the Patient Protection and Affordable Care Act.

### *Operating/Nonoperating Revenues*

Operating revenues and expenses reflect items directly related to providing health benefits to members. Nonoperating revenues and expenses represent investment income and other items not directly related to providing health benefits to members.

## H. Other Post-Employment Benefits

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2013 and 2012, there were 19,379 and 18,973 retirees and their dependents who met these eligibility requirements, respectively.

During the years ended June 30, 2013 and 2012, expenditures (net of retiree contributions) of approximately \$104 million and \$100.4 million, respectively, were recognized for post-retirement medical insurance coverage under the self-funded PPO, and \$4.1 million and \$8.5 million, respectively, under the fully insured PPO option.

### *Funded Status and Funding Progress*

The funded status of the SRWBT as of the most recent actuarial valuation is presented below.

#### **Schedule of Funding Progress (\$ in Millions)**

##### *State Retiree Welfare Benefit Trust*

FISCAL YEAR ENDING	2013
Actuarial Value of Assets (a)	\$89.5
Actuarial Accrued Liability (AAL) (b)	\$1,485.6
Unfunded/(Overfunded) AAL (UAAL) (b) - (a)	\$1,396.1
Funded Ratio (a)/(b)	6.0%
Covered Payroll (c)	\$1,552.7
UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]	89.9%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revision, as actual results are compared with past expectations and revised estimates are made about future costs. The estimated actuarial accrued liability reflected above is based on the substantive plan in place at the time of the latest actuarial valuation. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued benefits.

The accompanying schedule of employer contributions, presented as required supplementary information, presents trend information about the amounts contributed to the plan by employers in comparison to the amount that is actuarially determined in accordance with the requirements of GASB

Statement No. 43. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, changes in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program costs contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation. Additional information as of the latest actuarial valuation is presented below.

## Summary of Key Actuarial Methods & Assumptions

### *State Retiree Welfare Benefit Trust*

#### VALUATION YEAR

Actuarial cost method

Amortization method

Asset Valuation method

#### **July 1, 2012 – June 30, 2013**

Entry age normal, level percent of pay

30 years, open, level percent of pay

Market value

#### ACTUARIAL ASSUMPTIONS

Discount rate

6.5%

Projected payroll growth rate

4.0%

Inflation Rate

3.0%

Health care cost trend rate

(Medical and prescription drugs combined)

Non-Medicare is 7.4% for Fiscal 2013; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 and later.

Medicare is 7.8% for Fiscal 2013; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 and later.

### *Employer Disclosures*

Participating employers, upon their implementation of the related GASB No. 45, are required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used. Employer disclosures for MCHCP can be found in footnote M.

### **I. Medical Claims & Capitation**

As of June 30, 2013 and 2012, the Plan insured approximately 96 and 97 percent, respectively, of its members through PPO contracts. Third-party administrators are paid a contracted administrative fee per subscriber for the self-insured contracts, with the Plan bearing all administrative and medical claims costs of providing coverage to the members. The fully insured PPOs are paid monthly based upon contracted capitation rates and current participation. The Plan bears no additional risk over the prevailing capitation rate for these contracts. Enrollment in the High Deductible Health Plan increased to approximately 4% for the year ended June 30, 2013, representing a 1% increase over enrollment at June 30, 2012, of approximately 3%.

The liability for estimated accrued claims and processing costs is based on an actuarial estimate of the ultimate cost of settling such claims due and payable as of the balance sheet date (including claims reported and in process of settlement, claims reported but not yet processed for settlement, and claims incurred for services provided but not yet reported or processed for settlement). The estimated actuarial liability reflects certain assumptions, which include such factors as enrollment and utilization. Adjustments to the estimated actuarial liability for the final settlement of claims will be reflected in the year that actual results of the settlement of the claims are made and are known.

As of June 30, 2013 and 2012, \$3,287,697 and \$8,312,160, respectively, is included in accrued medical claims and capitation fee expenses for accrued PPO capitation expenses. Additionally, \$42,013,000 and \$42,436,000 at June 30, 2013 and 2012, respectively, is included in estimated accrued medical costs for claims incurred but not yet paid under the Plan's self-funded products. Although management believes these estimates are adequate, the ultimate liability may be more or less than the amounts recorded.

The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in current operations. Contingent liabilities exist with respect to claims covered

under the Plan in the event a contracted provider or carrier is unable to meet its obligations to the Plan. Changes in estimated accrued claims for fiscal years 2013 and 2012 are presented below.

### Summary of Changes in Estimated Accrued Claims

#### *Internal Service Fund*

BALANCES	2013	2012
Balance at beginning of year	\$32,384,000	\$36,390,000
Current year claims and changes in estimates	234,461,786	216,917,697
Claim payments	(233,401,786)	(220,923,697)
<b>Balance at end of year</b>	<b>\$33,444,000</b>	<b>\$32,384,000</b>

### Summary of Changes in Estimated Accrued Claims

#### *State Retiree Welfare Benefit Trust*

BALANCES	2013	2012
Balance at beginning of year	\$10,052,000	\$9,534,000
Current year claims and changes in estimates	108,121,548	110,233,953
Claim payments	(109,604,548)	(109,715,953)
<b>Balance at end of year</b>	<b>\$8,569,000</b>	<b>\$10,052,000</b>

### J. Retirement Plan

All of the Plan's full-time employees are eligible to participate in the Missouri State Employees' Plan (MSEP). MSEP is a single-employer public employee retirement plan of the State of Missouri administered in accordance with Sections 104.010 and 104.312 to 104.1093 of the Revised Statutes of Missouri. Benefits are established by and can be amended by the State of Missouri legislative process.

Responsibility for the operation and administration of MSEP is vested in the Missouri State Employees' Retirement System (MOSERS) Board of Trustees. MSEP provides retirement, death and disability benefits to participants and their beneficiaries. MSEP is considered a part of the State of Missouri financial reporting entity and is included in the State's financial reports as a pension trust fund. MSEP issues a stand-alone report, which may be obtained by contacting MOSERS at 907 Wildwood Drive, PO Box 209, Jefferson City, MO 65102.

With respect to the Plan, MSEP is accounted for and reported as a cost-sharing pension plan. Plan payroll for employees covered by MSEP for the years ended June 30, 2013 through 2011 was approximately \$2.8 million for fiscal year 2013 and approximately \$2.9 and \$3.0 million for the years ended June 30, 2012 and 2011, respectively. These amounts also represent the Plan's

total payroll, excluding related benefits. The Plan made 100 percent of its actuarially determined required contributions for the years ended June 30, 2013, 2012, and 2011, which were approximately \$406,000, \$402,000 and \$409,000, respectively. These contributions represented 14.45 percent, 13.97 percent and 13.81 percent respectively, of covered payroll, and are included in payroll and related benefit expenses.

#### K. Deferred Compensation Plan

Effective Sept. 1, 2007, legislation transferred responsibility for the administration of the Missouri State Employees' Deferred Compensation Program to the MOSERS Board of Trustees. On July 1, 2008, the plan administrator, Citistreet, joined ING to become ING Institutional Plan Services. Together as ING, the organization is one of the largest defined-contribution plan providers and also provides defined benefit and health and welfare services. On November 10, 2011, participant account records in the deferred compensation plan were transitioned from ING to ICMA-RC. This transition to the new record keeper led to a number of plan improvements including, but not limited to, lower fees for plan participants and the addition of a Roth 457 savings option.

Due to legislation passed during the 2011 session of the Missouri General Assembly, automatic enrollment of new permanent full-time and part-time employees at 1% of pay into the State of Missouri Deferred Compensation Plan became effective July 1, 2012.

Audited financial statements for the State of Missouri Deferred Compensation Plan can be viewed on MOSERS website at [www.mosers.org](http://www.mosers.org).

The Deferred Compensation Plan is an eligible State deferred compensation plan as defined by Section 457 of the Internal Revenue Code. Effective January 1, 1999, amounts deferred under the plan are held in trust for the exclusive benefit of the plan participants and their beneficiaries.

#### L. Employee Assistance Program

An employee assistance benefit program is offered to all State employees and their immediate families. The program, serviced through Compsych, beginning January 1, 2012, offers six free mental health counseling sessions per problem, per year and can be accessed 24 hours a day through a toll-free number.

#### M. Post-Employment Retiree Health Care

For the year ended June 30, 2008, MCHCP also adopted GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. However, all State agencies and component units are included in the State's post-employment retiree health care calculations.

## Schedule of Percentage of OPEB Cost Contributed

### *Missouri Consolidated Health Care Plan*

FISCAL YEAR ENDING	<b>2013</b>
Annual OPEB Cost	\$96,892,038
Percentage of OPEB Cost Contributed	55.7%
Net OPEB Obligation	\$228,036,079

Thus, separate information is not available for MCHCP, which is a component unit of the State. For fiscal year 2013 and 2012, respectively, MCHCP contributed \$114,614 and \$119,125 for its employees in accordance with the State's funding policy toward the annual required contribution (ARC) for post-employment retiree health care. These financial statements include the OPEB Plan in which MCHCP participates. See note H for further information regarding the OPEB plan.



# Catalyst

Required Supplementary  
Information

## Schedule of Claims Development

### State Actives & Retirees

	2013 – Total	2013 – Active	2013 – Retiree
FISCAL YEAR	July 1, 12 – June 30, 13	July 1, 12 – June 30, 13	July 1, 12 – June 30, 13
Required contribution and investment income	\$530,983,836	\$411,794,480	\$119,189,356
Administrative expenses	24,524,427	17,902,832	6,621,595
Estimated incurred claims and expenses end of policy year	<b>\$506,459,409</b>	<b>\$393,891,648</b>	<b>\$112,567,761</b>
PAID CLAIMS SUMMARY			
Paid (cumulative) as of	July 1, 12 – June 30, 13	July 1, 12 – June 30, 13	July 1, 12 – June 30, 13
End of policy year	<b>\$387,184,000</b>	<b>\$291,352,000</b>	<b>\$95,832,000</b>
One year later	–	–	–
Two years later	–	–	–
INCURRED CLAIMS SUMMARY			
Re-estimated incurred claims and expenses	July 1, 12– June 30, 13	July 1, 12– June 30, 13	July 1, 12– June 30, 13
End of policy year	\$422,902,000	\$319,761,000	\$103,141,000
One year later	–	–	–
Two years later	–	–	–
Increase (decrease) in estimated incurred claims and expenses from end of policy year	<b>\$83,557,409</b>	<b>\$74,130,648</b>	<b>\$9,426,761</b>

## Schedule of Funding Progress (\$ in Millions)

### State Retiree Welfare Benefit Trust

FISCAL YEAR ENDING	2013	2012	2011	2010	2009	2008
Actuarial Value of Assets (a)	\$89.5	\$83.6	\$80.2	\$73.2	\$48.7	\$15.6
Actuarial Accrued Liability (AAL) (b)	\$1,485.6	\$1,594.5	\$1,413.2	\$1,304.4	\$1,629.9	\$1,276.3
Unfunded/(Overfunded) AAL (UAAL) (b) - (a)	\$1,396.1	\$1,510.9	\$1,333.0	\$1,231.2	\$1,581.2	\$1,260.7
Funded Ratio (a)/(b)	6.0%	5.2%	5.7%	5.6%	3.0%	1.2%
Covered Payroll (c)	\$1,552.7	\$1,534.2	\$1,559.1	\$1,614.0	\$1,638.1	\$1,572.9
UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]	89.9%	98.5%	85.5%	76.3%	96.5%	80.2%

2012 – Total	2012 – Active	2012 – Retiree	2011 – Total	2010 – Total
July 1, 11 – June 30, 12	July 1, 11 – June 30, 12	July 1, 11 – June 30, 12	July 1, 10 – June 30, 11	July 1, 09 – June 30, 10
\$535,485,718	\$412,324,002	\$123,161,716	\$564,736,923	\$573,512,364
24,393,066	18,050,869	6,342,197	25,729,199	30,509,743
\$511,092,652	\$394,273,133	\$116,819,519	\$539,007,724	\$543,002,621
July 1, 11 – June 30, 12	July 1, 11 – June 30, 12	July 1, 11 – June 30, 12	July 1, 10 – June 30, 11	July 1, 09 – June 30, 10
\$382,449,000	\$289,146,000	\$93,303,000	\$407,392,000	\$403,561,000
\$418,141,000	\$317,676,000	\$100,465,000	440,506,912	445,221,000
–	–	–	\$440,333,000	\$445,369,000
July 1, 11– June 30, 12	July 1, 11– June 30, 12	July 1, 11– June 30, 12	July 1, 10– June 30, 11	July 1, 09– June 30, 10
\$417,708,000	\$315,657,000	\$102,051,000	\$447,849,000	\$445,127,000
418,260,000	317,773,000	100,487,000	440,525,000	445,359,000
–	–	–	440,333,000	445,369,000
\$93,384,652	\$78,616,133	\$14,768,519	\$91,158,724	\$97,875,621

## Schedule of Employer Contributions

### State Retiree Welfare Benefit Trust

FISCAL YEAR ENDING	Annual Required Contributions	Actual Contributions	Percentage Contributed
<b>June 30, 2013</b>	\$93,385,621	\$54,005,719	57.8%
June 30, 2012	100,799,906	57,080,104	56.6%
June 30, 2011	99,766,158	53,353,553	53.5%
June 30, 2010	93,864,650	74,384,744	79.2%
June 30, 2009	124,511,154	91,446,684	73.4%
June 30, 2008	104,479,000	68,628,500	65.7%

The State provided benefit payments and administrative costs of \$54, \$57.1 and \$53.4M in fiscal 2012 and 2011, respectively. The State provided benefit payments and administrative costs of \$56.1M and an additional contribution to the trust of \$18.3M in fiscal 2010. The Statement of Changes in Plan Net Assets provides more details concerning these amounts.

## Summary of Key Actuarial Methods & Assumptions

### State Retiree Welfare Benefit Trust

FISCAL YEAR	2013	2012	2011
Valuation Year	July 1, 2012 – June 30, 2013	July 1, 2011 – June 30, 2012	July 1, 2010 – June 30, 2011
Actuarial cost method	Entry age normal, level percent of pay	Entry age normal, level percent of pay	Entry age normal, level percent of pay
Amortization method	30 years, open, level percent of pay	30 years, open, level percent of pay	30 years, open, level percent of pay
Asset Valuation method	Market value	Market value	Market value
ACTUARIAL ASSUMPTIONS			
Discount rate	6.5%	6.5%	7.0%
Projected payroll growth rate	4.0%	4.0%	4.0%
Health care cost trend rate (Medical and prescription drugs combined)	Non-Medicare is 7.4% for Fiscal 2013; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 and later.  Medicare is 7.8% for Fiscal 2013; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 and later.	Non-Medicare: 8.00% in fiscal 2012, then decreasing by 3/5% per year to an ultimate of 5.0% in fiscal 2017 and after.  Medicare: 8.50% in fiscal 2012, then decreasing by 7/10% per year to an ultimate of 5.0% in fiscal 2017 and after.	7.67% in fiscal year 2011, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 and after.

## Summary of Key Actuarial Methods & Assumptions

### State Retiree Welfare Benefit Trust

FISCAL YEAR	2010	2009	2008
Valuation Year	July 1, 2009 – June 30, 2010	July 1, 2008 – June 30, 2009	July 1, 2007 – June 30, 2008
Actuarial cost method	Entry age normal, level percent of pay	Entry age normal, level percent of pay	Entry age normal, level percent of pay
Amortization method	30 years, open, level percent of pay	30 years, open, level percent of pay	30 years, open, level percent of pay
Asset Valuation method	Market value	Market value	Market value
ACTUARIAL ASSUMPTIONS			
Discount rate	7.0%	7.5%	7.8%
Projected payroll growth rate	4.0%	4.0%	4.0%
Health care cost trend rate (Medical and prescription drugs combined)	8.33% in fiscal year 2010, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 and after.	9% in fiscal year 2009, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 and after.	10% in fiscal year 2008, then decreasing by 1% per year to an ultimate of 5.0% in fiscal 2013 and after.

# Breakthrough

The image features a series of horizontal brush strokes of varying widths and colors. At the top is a wide red stroke. Below it are several thinner strokes in black, teal, yellow, and dark blue. The text 'Breakthrough' is centered within the red stroke. Further down, the text 'Statistical Information' is centered within a teal stroke. At the bottom, there are more horizontal strokes in dark blue, black, and yellow.

Statistical Information

## Historical Data – Expenses by Type

*Internal Service Fund, Ten years ended June 30, 2013*

FISCAL YEAR	Medical Claims/ Capitation & Health Administrative Services	Administration & Payroll	Other	Total Operating Expenses & Fees	Loss on Disposal of Fixed Assets
<b>2013</b>	\$384,588,353	\$3,983,962	\$1,805,563	\$390,377,878	–
2012	381,291,864	3,885,557	2,097,573	387,274,994	–
2011	422,066,045	4,148,726	2,134,781	428,349,552	–
2010	422,117,593	4,275,900	2,230,997	428,624,490	–
2009	431,216,276	4,809,936	2,117,078	438,143,290	–
2008	376,273,599	4,451,041	1,823,192	382,547,832	–
2007	437,756,208	5,597,367	1,975,742	445,329,317	–
2006	396,446,979	5,309,717	2,108,558	403,865,254	–
2005	383,918,636	5,290,374	1,697,269	390,906,279	–
2004	366,923,269	5,364,366	1,549,405	373,837,040	(24,050)

## Distribution of Claim Payments

*State Membership, Fiscal year 2013*

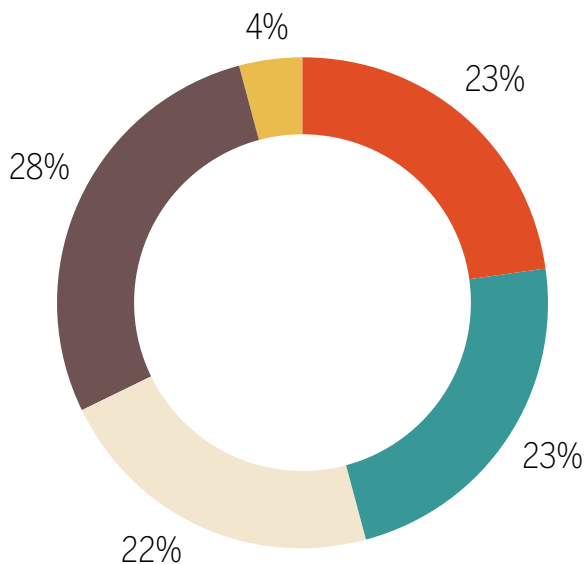
Outpatient Professional

Inpatient Facility

Prescription Drugs

Outpatient Facility

Inpatient Professional



### Summary

Total Lives: 95,983

Female: 57%

Male: 43%

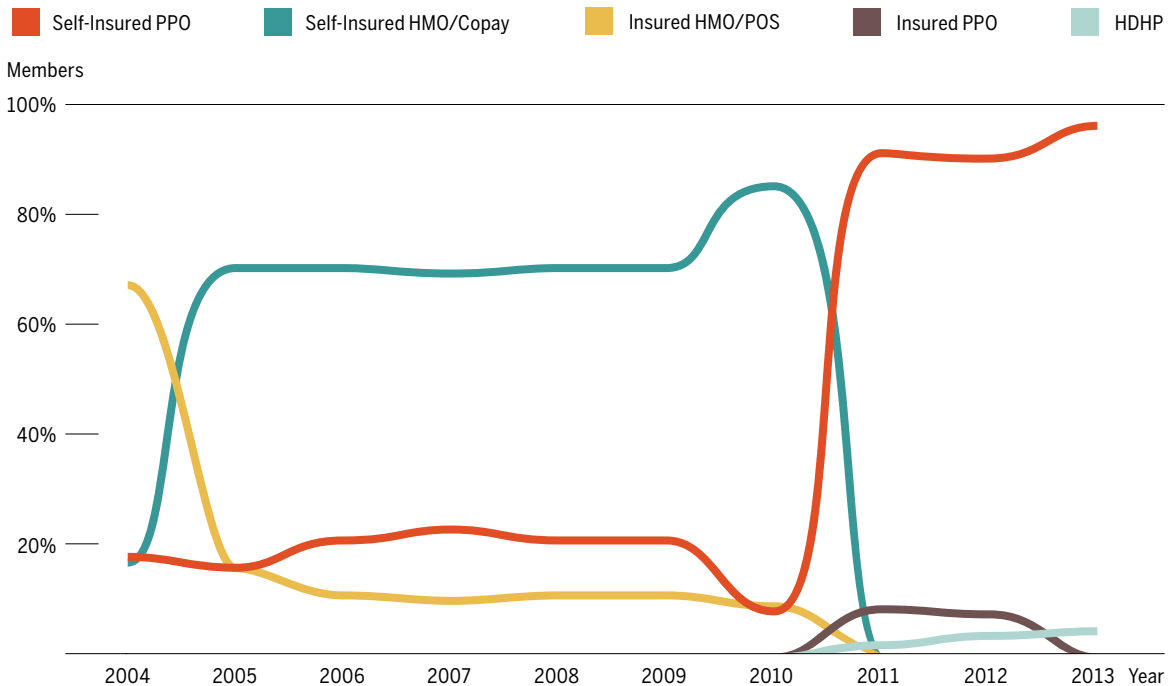
## Historical Data – Revenues by Source

*Internal Service Fund, Ten years ended June 30, 2013*

FISCAL YEAR	State/Employer Contributions	Member Contributions	Public Entity Income	Pharmacy Rebates & Subsidy	Total Operating Revenues	Investment & Other Income
<b>2013</b>	\$316,307,501	\$90,793,617	\$8,215,776	\$4,256,453	\$419,573,347	\$436,909
2012	319,804,444	89,797,753	8,492,621	5,375,360	423,470,178	853,463
2011	354,247,003	83,925,846	9,513,436	4,522,990	452,209,275	708,812
2010	356,953,666	73,309,792	10,295,456	5,344,809	445,903,723	1,104,898
2009	270,289,644	65,348,201	9,966,190	4,603,754	350,207,789	2,504,570
2008	276,886,166	57,339,368	10,008,570	5,033,832	349,267,936	7,099,139
2007	362,001,092	93,152,562	9,121,094	10,150,614	474,425,362	9,104,038
2006	319,465,109	84,069,097	8,989,197	8,104,447	420,627,850	5,928,270
2005	322,984,426	79,112,936	12,455,591	5,306,796	419,859,749	2,492,453
2004	281,657,137	84,756,549	18,201,930	5,169,299	389,784,915	765,034

## Total Lives by Health Care Option

*State Membership, Ten years ended June 30, 2013*



## Statements of Revenues, Expenses and Change in Net Position

*Internal Service Fund, Ten years ended June 30, 2013*

	2013	2012	2011	2010
OPERATING REVENUES				
State/employer contributions	\$316,307,501	\$319,804,444	\$354,247,003	\$356,953,666
Member contributions	90,793,617	89,797,753	83,925,846	73,309,792
Public entity contributions	8,215,776	8,492,621	9,513,436	10,295,456
Pharmacy rebates	4,256,453	5,375,360	4,522,990	5,344,809
Medicare Part D subsidy	—	—	—	—
<b>Total operating revenues</b>	<b>\$419,573,347</b>	<b>\$423,470,178</b>	<b>\$452,209,275</b>	<b>\$445,903,723</b>
OPERATING EXPENSES				
Medical claims and capitation expense	\$372,475,046	\$369,224,125	\$409,567,239	\$405,742,184
Claims administration services	10,806,319	10,715,326	11,127,397	13,711,789
Payroll and related benefits	2,956,116	2,995,419	3,118,821	3,365,166
Health management	1,306,988	1,352,413	1,371,409	2,663,620
Administration	893,425	755,431	668,081	910,734
Professional services	1,219,526	1,410,821	1,359,829	1,132,392
Employee Assistance Program	586,037	686,752	774,952	757,934
Depreciation	134,421	134,707	361,824	340,671
<b>Total operating expenses</b>	<b>\$390,377,878</b>	<b>\$387,274,994</b>	<b>\$428,349,552</b>	<b>\$428,624,490</b>
Operating revenues over (under) operating expenses	29,195,469	36,195,184	23,859,723	17,279,233
NONOPERATING REVENUES				
Investment and other income	\$436,909	\$853,463	\$708,812	\$1,104,898
Loss on disposal of furniture, fixtures and equipment	—	—	—	—
Other nonoperating expenses	—	—	—	—
NET POSITION				
Change in net position	\$29,632,378	\$37,048,647	\$24,568,535	\$18,384,131
Net position, beginning of year	100,795,907	63,747,260	39,178,725	20,794,594
<b>Net position, end of year</b>	<b>\$130,428,285</b>	<b>\$100,795,907</b>	<b>\$63,747,260</b>	<b>\$39,178,725</b>

2009	2008	2007	2006	2005	2004
\$270,289,644	\$276,886,166	\$362,001,092	\$319,465,109	\$322,984,426	\$281,657,137
65,348,201	57,339,368	93,152,562	84,069,097	79,112,936	84,756,549
9,966,190	10,008,570	9,121,094	8,989,197	12,455,591	18,201,930
4,603,754	5,033,832	5,678,206	5,539,208	5,306,796	5,169,299
-	-	4,472,408	2,565,239	-	-
\$350,207,789	\$349,267,936	\$474,425,362	\$420,627,850	\$419,859,749	\$389,784,915
\$411,593,266	\$357,621,982	\$414,402,466	\$376,750,654	\$370,454,024	\$357,845,282
15,104,342	14,432,722	17,604,641	16,857,025	13,464,612	9,077,987
3,605,582	3,291,979	4,123,871	3,887,880	3,920,693	3,785,291
4,518,668	4,218,895	5,749,101	2,839,300	-	-
1,204,354	1,159,062	1,473,496	1,421,837	1,369,681	1,579,075
1,137,039	907,127	816,500	1,004,715	633,549	416,113
696,380	674,601	881,723	874,492	868,345	873,428
283,659	241,464	277,519	229,351	195,375	259,864
\$438,143,290	\$382,547,832	\$445,329,317	\$403,865,254	\$390,906,279	\$373,837,040
(87,935,501)	(33,279,896)	29,096,045	16,762,596	28,953,470	15,947,875
\$2,504,570	\$7,099,139	\$9,104,038	\$5,928,270	\$2,492,453	\$765,034
-	-	-	-	-	(24,050)
-	-	-	-	-	\$1,220
(85,430,931)	(26,180,757)	\$38,200,083	\$22,690,866	\$31,445,923	\$16,690,079
106,225,525	132,406,282	94,206,199	71,515,333	40,069,410	23,379,331
\$20,794,594	\$106,225,525	\$132,406,282	\$94,206,199	\$71,515,333	\$40,069,410

## Schedule of Net Position by Component

*Internal Service Fund, Ten years ended June 30, 2013*

NET POSITION	Investment in capital assets, net of related debt	Unrestricted	Total net position
<b>2013</b>	\$262,720	\$130,165,565	\$130,428,285
2012	256,281	100,539,626	100,795,907
2011	333,028	63,414,232	63,747,260
2010	418,325	38,760,400	39,178,725
2009	488,735	20,305,859	20,794,594
2008	447,943	105,777,582	106,225,525
2007	400,575	132,005,707	132,406,282
2006	337,958	93,868,241	94,206,199
2005	371,501	71,143,832	71,515,333
2004	429,318	39,640,092	40,069,410

## Full-Time Employees

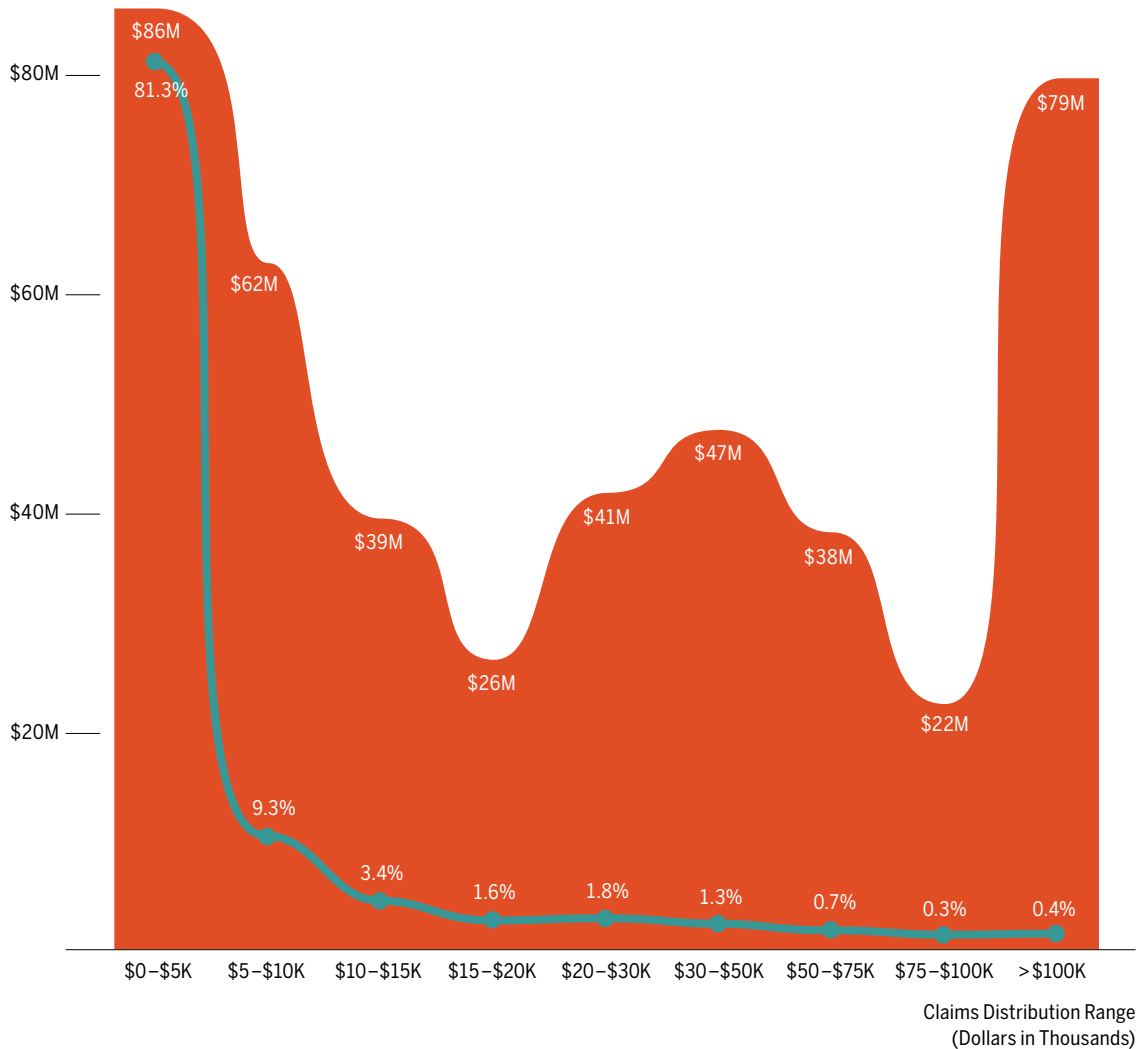
*Missouri Consolidated Health Care Plan, Ten years ended June 30, 2013*

DEPARTMENT	<b>2013</b>	2012	2011	2010	2009	2008	2007	2006	2005	2004
Executive and Administration	4.50	5.00	4.76	4.46	3.61	3.85	4.00	4.00	4.50	5.00
Operations	48.10	46.59	47.79	52.80	58.98	57.07	58.06	59.65	62.42	63.57
General Counsel	1.00	2.00	1.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
Internal Audit	3.00	3.00	3.00	2.96	3.00	3.00	2.88	.004	-	-
Human Resources	0.53	1.00	0.82	1.48	2.00	2.00	1.62	2.00	2.00	1.67
Fiscal	5.00	6.00	6.00	6.00	6.00	6.00	5.60	6.00	6.00	6.88
<b>Total</b>	<b>62.13</b>	63.59	64.12	68.45	74.59	72.92	73.16	72.69	75.92	78.12

**Paid Claims Distribution by Individual**  
*State Membership, Fiscal year June 30, 2013*

Net Payment      Percent of Membership

Dollars (in Millions)  
\$100M



## State Membership Enrolled in MCHCP

*Subscribers & Dependents as of June 30, 2013*

AGE	Active		Retirees		COBRA		Disabled		Survivors		Vested		Total
	Female	Male	F	M	F	M	F	M	F	M	F	M	All
< 1	381	401	1	1	–	–	1	1	1	–	1	–	788
1 – 10	5,046	5,332	22	11	5	2	–	–	–	–	5	6	10,429
11 – 19	6,082	6,316	110	97	4	9	7	3	10	11	10	6	12,665
20 – 24	3,545	3,371	159	177	5	4	14	4	7	15	1	3	7,305
25 – 29	2,470	1,828	35	33	9	12	2	1	–	2	1	–	4,393
30 – 34	2,869	1,775	3	8	2	4	3	1	–	–	–	2	4,667
35 – 39	2,997	1,813	3	6	2	2	2	–	–	2	5	1	4,833
40 – 44	3,721	2,170	10	3	4	3	10	3	1	–	11	5	5,941
45 – 49	4,052	2,534	23	10	6	5	25	10	–	3	11	7	6,686
50 – 54	4,611	2,811	352	114	4	4	27	19	7	2	23	15	7,989
55 – 59	3,855	2,638	1,384	671	6	4	33	10	20	8	26	10	8,665
60 – 64	2,277	1,957	2,536	1,378	12	3	17	7	52	8	9	7	8,263
65 – 69	526	627	2,362	1,588	–	–	2	2	65	22	–	2	5,196
70 – 74	83	123	1,761	1,160	–	–	1	–	87	34	1	1	3,251
75 – 79	24	40	1,303	777	–	–	–	–	122	34	–	–	2,300
80 +	4	9	1,482	781	–	–	–	–	299	35	1	1	2,612
Subtotal	42,543	33,745	11,546	6,815	59	52	144	61	671	176	105	66	–
<b>Total</b>	<b>76,288</b>		<b>18,361</b>		<b>111</b>		<b>205</b>		<b>847</b>		<b>171</b>		<b>95,983</b>

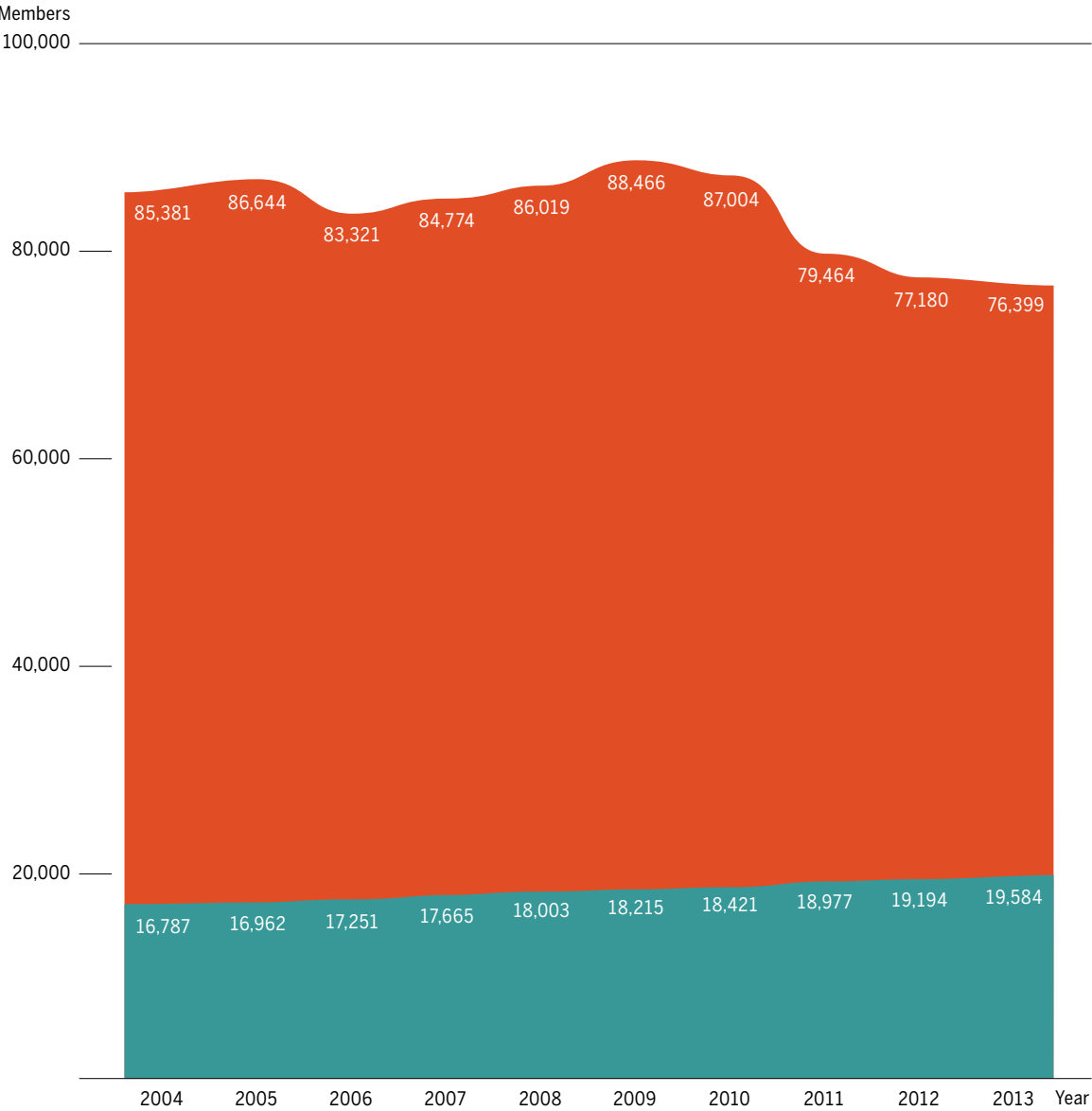
## Enrollment History

*State Membership, Ten years ended June 30, 2013*

YEAR	Active	Retiree	COBRA	Disabled	Survivors	Vested	Total
<b>2013</b>	76,288	18,361	111	205	847	171	<b>95,983</b>
2012	77,069	17,937	111	221	867	169	96,374
2011	79,317	17,682	147	258	872	165	98,441
2010	86,744	17,122	260	271	857	171	105,425
2009	88,277	16,802	189	351	852	210	106,681
2008	85,884	16,538	135	390	821	254	104,022
2007	84,585	16,154	189	424	820	267	102,439
2006	83,129	15,668	192	466	819	298	100,572
2005	86,459	15,351	185	515	800	296	103,606
2004	85,200	15,128	181	541	792	326	102,168

**Enrollment Distribution**  
*State Membership, Ten years ended June 30, 2013*

Active/COBRA Members      Retiree/Disabled/Survivor/Vested Members



## Public Entity Membership Enrolled in MCHCP

*Subscribers & Dependents as of June 30, 2013*

AGE	Active		Retirees		COBRA		Total
	Female	Male	F	M	F	M	All
< 1	1	-	-	-	-	-	1
1 - 10	35	34	-	-	-	-	69
11 - 19	45	50	-	-	-	-	95
20 - 24	33	46	-	-	-	-	79
25 - 29	35	46	-	-	-	1	82
30 - 34	39	46	-	-	-	-	85
35 - 39	54	44	-	-	-	-	98
40 - 44	67	48	-	-	1	-	116
45 - 49	84	37	-	-	-	-	121
50 - 54	88	61	-	-	-	-	149
55 - 59	121	54	-	-	1	-	176
60 - 64	71	53	2	1	3	3	133
65 - 69	24	15	1	-	-	-	40
70 - 74	5	3	1	2	-	-	11
75 - 79	1	4	2	-	-	-	7
80+	-	-	-	-	-	-	-
Subtotal	703	541	6	3	5	4	-
<b>Total</b>	<b>1,244</b>		<b>9</b>		<b>9</b>		<b>1,262</b>

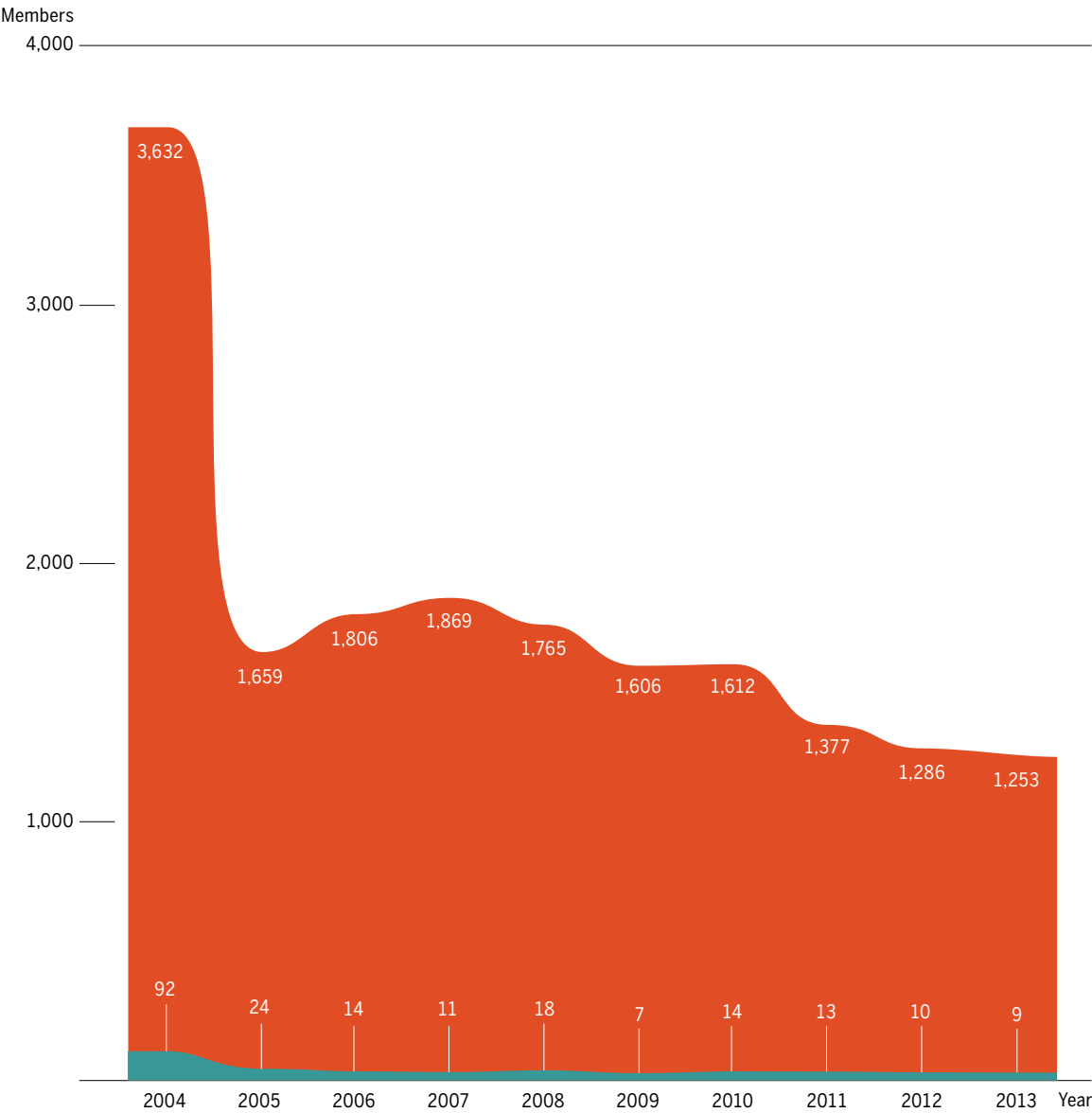
## Enrollment History

*Public Entity Membership, Ten years ended June 30, 2013*

YEAR	Active	Retirees	COBRA	Total
<b>2013</b>	1,244	9	9	<b>1,262</b>
2012	1,277	10	9	1,296
2011	1,365	13	12	1,390
2010	1,596	14	16	1,626
2009	1,590	7	16	1,613
2008	1,752	18	13	1,783
2007	1,851	11	18	1,880
2006	1,795	14	11	1,820
2005	1,654	24	5	1,683
2004	3,595	92	37	3,724

**Enrollment Distribution**  
*Public Entity Membership, Ten years ended June 30, 2013*

Active/COBRA Members    Retiree Members



## Plan Demographics

*State Membership, Fiscal year 2013*

Age 0-19

Age 20-34

Age 35-44

Age 45-54

Age 55-64

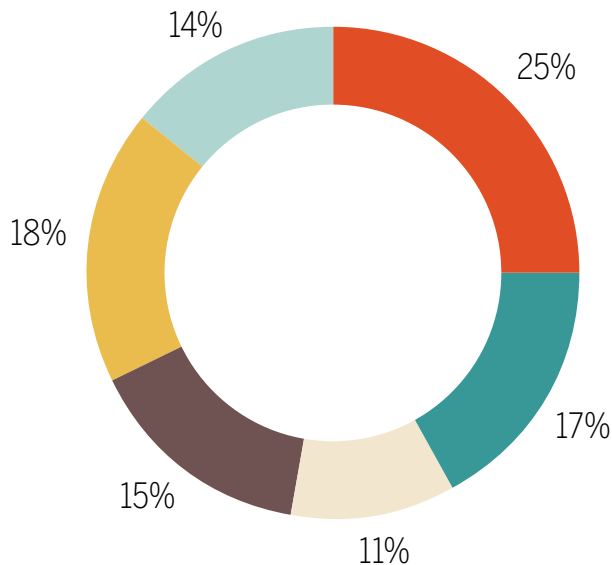
Age ≥65

### Summary

Total Lives: 95,983

Average Age: 39.8 years

Female: 57% Male: 43%



## Plan Demographics

*Public Entity Membership, Fiscal year 2013*

Age 0-19

Age 20-34

Age 35-44

Age 45-54

Age 55-64

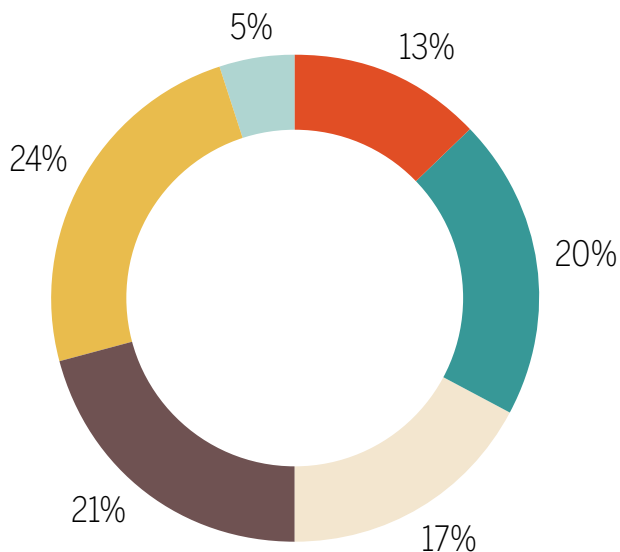
Age ≥65

### Summary

Total Lives: 1,262

Average Age: 41.8 years

Female: 57% Male: 43%





M·C·H·C·P

MISSOURI CONSOLIDATED  
HEALTH CARE PLAN

832 Weathered Rock Ct.  
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Jefferson City, MO 65110

800-701-8881  
[www.mchcp.org](http://www.mchcp.org)



